

**MILFORD TOWNSHIP  
BUCKS COUNTY, PENNSYLVANIA**

ORDINANCE NO. 186

AN ORDINANCE SIGNIFYING THE INTENT AND DESIRE OF THE BOARD OF SUPERVISORS OF THE MILFORD TOWNSHIP, BUCKS COUNTY, PENNSYLVANIA, APPROVING AN AMENDMENT TO THE MILFORD VILLAGE NEIGHBORHOOD IMPROVEMENT DISTRICT PLAN INCREASING THE IMPROVEMENTS BEING CONSTRUCTED AND THE AMOUNT OF DEBT TO BE INCURRED FROM THAT PREVIOUSLY INCLUDED IN THE NEIGHBORHOOD IMPROVEMENT DISTRICT PLAN APPROVED BY THE TOWNSHIP WHEN IT CREATED THE "MILFORD VILLAGE NEIGHBORHOOD IMPROVEMENT DISTRICT" PURSUANT TO ORDINANCE NUMBER 185 ENACTED ON DECEMBER 3, 2024, IN ACCORDANCE WITH THE PROVISIONS OF THE "NEIGHBORHOOD IMPROVEMENT DISTRICT ACT", 73 PA. C.S. §831 *ET SEQ.*, AS AMENDED AND SUPPLEMENTED; AND AUTHORIZING THE TAKING OF ALL SUCH ACTION AS MAY BE NECESSARY OR APPROPRIATE TO CARRY OUT THE INTENT OF THIS ORDINANCE

**WHEREAS**, Milford Township, Bucks County, Pennsylvania (the "**Township**"), constitutes a municipality under the "Neighborhood Improvement District Act," 73 Pa. C.S. §831 *et seq.*, as amended and supplemented (the "**Act**"), and the Board of Supervisors of the Township constitutes a municipal corporation under the Act; and

**WHEREAS**, the Act provides that every municipal corporation will have the power to, among other things, establish within the municipality an area or areas designated as a Neighborhood Improvement District (the "**NID**") and establish an authority or designate an existing nonprofit corporation to serve as the Neighborhood Improvement District Management Association (the "**NIDMA**") to administer the NID; and

**WHEREAS**, following notice and a public hearing required under the Act, the Township enacted Ordinance Number 185 on December 3, 2024, establishing the Milford Village Neighborhood Improvement District (the "**NID**") and approving a final Milford Village Neighborhood Improvement District Plan (the "**NID Plan**") that was developed, in such form and containing such information as required by Section 835(c) of the Act, for the financing and construction of infrastructure and other improvements (the "**Public Improvements**") within the Township in connection with the development by LifeQuest Inc., a Pennsylvania nonprofit corporation that has been recognized by the Internal Revenue Service to be an organization described in Section 501(c)(3) of the Internal Revenue Code (the "**Developer**") of a mixed-use development containing approximately 262 apartments, 498 congregate care units, 141 assisted living units, 140-bed nursing center, 5,200 square foot school/daycare and 68,570 square feet of retail space on approximately 87 acres of property located in the District (defined below) (collectively, the "**Development**")

**WHEREAS**, the Developer and the NIDMA desire to amend the NID Plan to expand the proposed public improvements and the debt to be issued to fund such expanded public improvements relating to water and sewer system capacity or EDUs ("equivalent dwelling units") required for the Development under local land use rules, which amendment, together with

updated pricing information, increases the estimated cost of public improvements from approximately \$16 million to approximately \$30 million and the total estimated debt to be issued increases from approximately \$21 million to approximately \$45 million; and

**WHEREAS**, a public hearing was conducted on behalf of Board of Supervisors of the Township on March 29, 2025, for the purpose of receiving comments from all Affected Owners within the NID following (i) distribution to all affected property owners (the "*Affected Owners*") within the NID and lessees of Affected Owners within the NID of both the amended NID Plan and a notice of the date, location and time of the public hearing, and (ii) duly advertising, as required by the Act, a notice of such public hearing; and,

**WHEREAS**, the Affected Owners and any lessees of Affected Owners expressed no objection to the provisions of the amended NID Plan; and

**WHEREAS**, as described within the NID Plan, as amended, the NIDMA will be imposing special assessments on real property located within the NID in accordance with the provisions of the Rate and Method of Apportionment of Special Assessments included within the NID Plan, as amended, which methodology is in compliance with the provisions of Section 837 of the Act, in order to provide funds for the payment of bonds (the "*Bonds*"), and related administrative expenses, to be issued by Quakertown General Authority (the "*QGA*") to finance the Public Improvements within the Development; and

**WHEREAS**, the Board of Supervisors intends to authorize all further actions that may be necessary or appropriate to carry out the intent and purposes of this ordinance, all in keeping with the provisions of the Act and in accordance with the amended NID Plan.

**NOW THEREFORE, BE IT ORDAINED AND ENACTED** by the Board of Supervisors of Milford Township, Bucks County, Pennsylvania, in accordance with the Act, as follows:

**Section 1.** The Board of Supervisors hereby approves the NID Plan, as amended and attached hereto as Exhibit "A", for the Milford Village Neighborhood Improvement District previously established pursuant to Ordinance Number 185 of the Township.

**Section 2.** The Board of Supervisors hereby is authorized to take such further actions as are necessary or desirable to carry out the intent and purposes of this Ordinance, including but not limited to, the execution by the Chairman or Vice Chairman and Secretary of the Board of Supervisors of such documents and agreements consistent with the Act and the NID Plan that the Township will need to enter into in furtherance of this Ordinance, in form and substance satisfactory to such officers and the Township's Solicitor and bond counsel, the execution and delivery of all such documents, instruments, agreements and certificates to constitute conclusive evidence of such satisfaction.

**Section 3.** This ordinance will take effect in accordance with applicable law.

**Section 4.** This ordinance will not be deemed in any way to be a pledge of the general credit of the Township for the payment of the Bonds and this ordinance will not be deemed in any way to obligate the Township for the payment of principal of, or interest on, the Bonds, or for any other claim based on the Bonds or any other document, instrument or agreement delivered in connection with the issuance of the Bonds.

**DULY ENACTED AND ORDAINED** this 28<sup>th</sup> day of April, 2025, by the Board of Supervisors of the Milford Township, Bucks County, Pennsylvania, in lawful session duly assembled.

ATTEST:

**MILFORD TOWNSHIP,**  
Bucks County, Pennsylvania



Secretary



John Minninger, Chairman

[SEAL]



**NEIGHBORHOOD IMPROVEMENT DISTRICT  
PLAN FOR THE  
MILFORD VILLAGE PROJECT  
IN  
MILFORD TOWNSHIP, BUCKS COUNTY,  
PENNSYLVANIA**

**March 2025**

Prepared on March 12, 2025

**PFM Financial Advisors LLC**  
100 Market Street  
Harrisburg, PA 17101

EXHIBIT A



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Appendix B – Ordinance Creating NIDMA

Appendix C – NIDMA By-Laws

Appendix D – NID Management Agreement



- (2) A written report from the municipality, in this case the Township, containing:
- (i) The name of the proposed district; included in Section 1.0.;
  - (ii) A detailed description of the service areas of the proposed district; included in Section 2.0.;
  - (iii) A list of all properties to be assessed; included in Section 2.1.;
  - (iv) A list of proposed improvements within the NID District and their estimated cost; included in Section 3.1 and Section 3.2.;
  - (v) A proposed budget for the first fiscal year, including, but not limited to, the following: personnel and administration, programs and services, maintenance and operation, and capital expenditures; included in Exhibit 2.;
  - (vi) The proposed revenue sources for financing all proposed improvements, programs and services; included in Section in 4.1.;
  - (vii) The estimated time for implementation and completion of all proposed improvements, programs and services; included in Section in 3.3.;
  - (viii) A statement identifying the administrative body which will govern and administer the NID; included in Section in 7.1.;
  - (ix) Any other information, including the statutory authority, or, in the case of a nonprofit corporation, the bylaws, which describe the powers and duties of and the method for making decisions by the Neighborhood Improvement District Management Association (the "NIDMA"); included in Section in 7.1.;
  - (x) The method of determining the amount of the special assessment fee to be levied on property owners within the NID District under Section 7 of the Act; included in Section in 5.0.;
- (3) In addition, the NID Plan shall also:
- (i) Identify in detail the specific duties and responsibilities of both the NIDMA and the municipal corporation, in this case the Township Board of Supervisors, with respect to the NID District; included in Section in 7.2.;
  - (ii) Require that a written agreement be signed by the Township Board of Supervisors and the NIDMA describing in detail their respective duties and responsibilities; included in Section in 7.1.;
  - (iii) Allow for and encourage tax-exempt property owners within the NID District to provide in-kind services or a financial contribution to the NIDMA, if not assessed, in lieu of a property special assessment fee; included in Section in 7.3.;
  - (iv) Require in the agreement between the Township Board of Supervisors and the NIDMA that the Township must maintain the same level of municipal programs and services provided within the NID District before NID designation as after NID designation; included in Section in 7.2.;
  - (v) Allow the Township Board of Supervisors the right to include in the agreement with the NIDMA and in the enabling ordinance establishing the NID District a sunset provision of no less than five years for renewal of the agreement; included in Section in 7.1.;
  - (vi) Require in the agreement with the NIDMA that the municipality establishing a NID shall be responsible for the collection of all property special assessment fees levied within the NID District, if so desired by the NIDMA; included in Section in 7.2.; and,



### 2.3 Development Plan

The Milford Village development is proposed to be developed as a total of 262 apartments, 498 congregate care units, 141 assisted living units, 140-bed nursing center, 5,200 square foot school/daycare and 92,500 square feet of retail space. Currently, parcels 3A and 3B have existing development which has been previously constructed. The proposed mixed-use development is shown in Table 2.

**TABLE 2. Proposed Development Plan**

| <u>Parcel Unit ID</u> | <u>Land Use</u>         | <u>No. of Units / Beds / SQFT</u> | <u>Unit Type (1)</u> |
|-----------------------|-------------------------|-----------------------------------|----------------------|
| Unit 1A               | Apartments              | 262                               | Units                |
| Unit 1B               | Retail                  | 43,500                            | SQFT                 |
| Unit 2                | Congregate Care         | 225                               | Units                |
| Unit 3A               | Assisted Living - Built | 141                               | Units                |
| Unit 3A               | Nursing Center - Built  | 140                               | Beds                 |
| Unit 3B               | LifeSpan School - Built | 5,200                             | SQFT                 |
| Unit 4                | Retail                  | 49,000                            | SQFT                 |
| Unit 5                | Congregate Care         | 273                               | Units                |

Source: LifeQuest

(1) Non-Residential or Healthcare Building Square Feet ("BSF") 1,000 BSF = 1 EU

### 3.0 Proposed Public Improvements

The purpose of the NID District, the special assessments to be levied in the NID District, and the Bonds to be issued with respect to the NID District is to finance all or a portion of the costs of Public Improvements for the benefit of the property in the NID District. These improvements are described below in Section 3.2.

#### 3.1 Estimated Costs

Estimated costs of \$20,327,580 include all right-of-way, acquisition, design and engineering, and other costs related to the construction of all the Public Improvements. An additional cost associated with Water & Sewer EDUs at the site is estimated at \$10,000,000. Costs may vary from current estimates. Note that LifeQuest has secured a \$1,500,000 grant that will be used to pay for portions of the improvements associated with SR 663. A portion of the costs for the Public Improvements as they pertain to the Bonds can be seen in Exhibit 2, herein.



#### 4.0 Projected Issuance of Bonds

##### 4.1 Proposed Revenue Sources for Financing Public Improvements

Bonds are projected to be issued by the Issuer to finance all or a portion of the costs of constructing the Public Improvements described above, a debt service reserve fund, issuance costs, including an underwriter's discount and capitalized interest. Table 4 shows the estimated sources and uses of funds for the issuance of the Bonds.

**TABLE 4. Estimated Series 2024 Bond Issuance**

| Sources:                                 | Amount       |
|--|--------------|
| Bond Proceeds:                           |              |
| Par Amount                               | \$45,300,000 |
| TOTAL Sources                            | \$45,300,000 |
| Uses:                                    |              |
| Project Fund Deposits:                   |              |
| Project Fund                             | \$28,872,580 |
| Other Fund Deposits:                     |              |
| Capitalized Interest Fund                | \$10,721,000 |
| Debt Service Reserve Fund @ 100% of MADS | \$4,098,400  |
| Delivery Date Expenses:                  |              |
| Cost of Issuance                         | \$700,000    |
| Underwriters Discount                    | \$906,000    |
| Rounding                                 | \$2,020      |
| TOTAL Uses                               | \$45,300,000 |
| Rate                                     | 8.00%        |
| Term                                     | 30           |
| Maximum Net Annual Debt Service:         | \$4,098,400  |

Source: PFM Financial Advisors LLC

The actual issuance of the Bonds may vary from these estimates depending on the interest rate on the Bonds, the date the Bonds are issued, the cost of issuing Bonds, reinvestment rates on the bond proceeds, and other factors.



## 5.0 Determination of the Special Assessments

The special assessments to be levied on property owners within the NID District will be determined in accordance with the "Rate and Method of Apportionment of Special Assessments," attached hereto as Appendix A. The reasonable basis for the special assessments levied in the NID District is as follows:

- (i) The Public Improvements to be financed by the Bonds provide a special benefit to the property in the NID District and this special benefit exceeds the cost of the special assessments;
- (ii) The Bonds are issued to pay for the Public Improvements that provide a special benefit to the assessed property and the special assessments are equal to the amount required to repay the Bonds and to pay Administrative Expenses and
- (iii) The special assessments are allocated to parcels within the NID District on a basis that reasonably reflects the benefit each parcel receives from the Public Improvements.

The following sections of this NID Plan explain how the special assessments as determined and levied pursuant to the "Rate and Method of Apportionment of Special Assessments," attached to this NID Plan as Appendix A, for the NID District are consistent with these concepts.

### 5.1 Special Benefit

The property will receive a special benefit from the Public Improvements to be financed by the Bonds. The Public Improvements will be constructed to meet the demands of the property in the NID District. The Public Improvements to be funded by the Bonds includes water/stormwater management improvements, sanitary sewer improvements, landscaping, and road improvements to serve the property in the NID District. These improvements are required for the proposed use of the property as described above and are being built specifically for the property in the NID District, not for any other property. Accordingly, the Public Improvements to be funded by the Bonds provide a special benefit to the property in the NID District.

The special benefit of the Public Improvements will be equal to or greater than the cost of the special assessments levied on the property. The value of special benefit is confirmed by two means. First, the owner of property in the NID District has requested that the Township impose special assessments on the property in connection with the financing of the Public Improvements. It is reasonable to believe the owner is acting in its interest and making this request because the benefit it receives from the Public Improvements exceeds the cost of the special assessments.

Second, the special assessments are being levied in connection with the financing of Public Improvements that are necessary to achieve the highest and best use of the property (i.e., the use of the property that is most valuable, including any costs associated with that use). Highest and best use can be defined as "The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value." (Dictionary of Real Estate Appraisal, Fourth Edition.) The four criteria for highest and best use are (i) legally permissibility, (ii) physical possibility, (iii) financial feasibility, and (iv) maximum productivity.



The actual expenses of the NID District may be less than estimated herein. The "Rate and Method of Apportionment of Special Assessments," which is attached to this NID Plan as Appendix A, provides for the annual payment collected each year to equal the actual amount required to pay debt service on the Bonds, Administrative Expenses less any funds available under the bond indenture. Additionally, the "Rate and Method of Apportionment of Special Assessments" provides for the amount of the special assessments to be reduced to equal the actual costs of providing the Public Improvements, including the costs related to issuance and repayment of the Bonds.

In summary, the special assessments are set and payable in a manner consistent with the estimate of the annual debt service on the Bonds to be issued to finance the Public Improvements that provide a special benefit to the property being assessed and the Administrative Expenses, and therefore, are set in a reasonable manner.

### 5.3 Allocation of Special Assessments

This section explains how the special assessments are allocated to the property in the NID District in a reasonable manner that is representative of the benefit each property receives from the Public Improvements to be provided by the Issuer.

As explained previously, the owner of each assessed parcel in the NID District has consented to the special assessment imposed on the property, including the method of allocating the special assessments to the parcels, demonstrating the reasonableness of the allocation of the special assessments. The special assessments are imposed on all of the real property within the NID District, with the exception of non-benefited property. Non-benefited property is property within the NID District that will not use the Public Improvements and will not increase in value as a result of the construction of the Public Improvements. The "Rate and Method of Apportionment of Special Assessments" provides for the special assessments to be reallocated as property is subdivided. The reallocation is made on the same basis as the initial allocation of special assessments as shown on the "Special Assessment Roll" and explained herein.

The method used to allocate the special assessments in the "Rate and Method of Apportionment of Special Assessments" is based on the estimated market value of the property in the NID District as developed and fully able to utilize the improvements. This approach to allocating special assessments is particularly appropriate when the purpose of providing the improvements is to allow the property to be developed to increase its value and to achieve the highest and best use of the property. Therefore, future value reasonably reflects the increase in value to property that will result from the improvements and, accordingly, the benefit each property in the NID District will receive from the improvements to be provided by the NID.

For purposes of allocating special assessments, there are five land use classes identified within the NID District, as shown by Table 5.

Table 5 shows each land use class, the estimated value, and the resulting equivalent unit factor.



Assessments" on the basis of equivalent unit factors for each land use class. The equivalent unit factors for each property type are calculated as explained in Table 5.

#### 5.4 Summary of Reasonable Basis of the Special Assessments

Special assessments are imposed on the taxable property in the NID District according to the provisions of the "Rate and Method of Apportionment of Special Assessments" in a reasonable manner. The reasonable basis of the special assessments may be summarized as follows:

1. The Public Improvements are being provided specifically for the use of the property in the NID District, and as a result, provide a special benefit to the property within the NID District;
2. The special benefit of the Public Improvements to the property subject to special assessments exceeds the cost of the special assessments;
3. The Bonds are issued to finance the costs of the Public Improvements, which provide a special benefit to the property in the NID District, and other costs related to the issuance of the Bonds;
4. The aggregate amount of special assessments imposed on all of the property in the NID District is equal to the amount required to pay the debt service on the Bonds and Administrative Expenses; and,
5. Special assessments are allocated to each parcel within the NID District in a manner that is reasonably representative of the benefit each property receives from the Public Improvements to be financed by the Bonds.

For these reasons, the special assessments are imposed on the taxable property in the NID District in a reasonable manner.

#### 6.0 Terms of Special Assessments

The "Rate and Method of Apportionment of Special Assessments," attached hereto as Appendix A, includes the specific terms for the repayment of the special assessments. A summary of the terms in Appendix A follows.

Bonds are expected to be issued by the Issuer to finance the Public Improvements described in Section 3.0. The proceeds from the sale of the Bonds will include the cost of the improvements, issuance costs, underwriter's discount, capitalized interest, and proceeds to fund a debt service reserve fund. Special assessments will be imposed in amounts equal to the principal of the Bonds, interest on the Bonds, and Administrative Expenses, the Issuer, and the Milford Village Neighborhood Improvement District Management Association (NIDMA) directly related to the administration of the special assessments and the Bonds.



In conjunction with the Act, the NID Management Agreement has been prepared and will be executed between the Township and the NIDMA, as the NIDMA, in substantially the form attached hereto as Appendix D. As required by the Act, the NID Management Agreement describes the duties and responsibilities of the Township and the NIDMA.

Pursuant to the Act, the Township has the right to include in the NID Management Agreement with the NIDMA and in the enabling ordinance establishing the NID District a sunset provision of no less than five years for renewal of the NID Management Agreement. In the alternative, the NID Management Agreement will provide that the agreement and the NID District will not terminate until after any Bonds issued by the Issuer under the Act to finance the Public Improvements, discussed in Section 3.0, are paid in full. As provided for in Appendix A, attached hereto, the NID District shall not be terminated until the retirement of the Bonds used to finance the Public Improvements.

## 7.2 Duties and Responsibilities

As required by the Act, the specific duties and responsibilities of both the NIDMA, and the Township, with respect to the NID District, are outlined in the NID Management Agreement, the substantial form of which is attached hereto as Appendix D.

The NID Management Agreement stipulates that the NIDMA will impose special assessments on property within the NID District, as and when provided in the NID Management Agreement. The method of determining the annual billing and collection of the special assessments is identified in the "Rate and Method of Apportionment of Special Assessments." The NIDMA shall approve the calculations made each year for the billing and collection of the special assessments, but does not expect to make any changes to the Township's recent method of billing and collecting special assessments. Once the NIDMA has approved the annual calculation for the billing and collection of the special assessments, the NIDMA will be responsible for billing and collecting the Annual Installment of the special assessment from each property within the NID District. Annual Installment of the special assessment will be collected by the NIDMA at the same time as regular Township real property taxes. Additionally, the NIDMA will be responsible for collecting delinquent Annual Installment of the special assessments, while the Township will be responsible for filing the lien with the prothonotary's office.

Once the NIDMA has collected the Annual Installment of the special assessments, the revenues will be remitted to the trustee of the Bonds, within thirty days upon receipt, net of the costs related to the billing and collection process required for the NID District, as outlined in Appendix D.

As outlined in the NID Management Agreement, the substantial form of which is attached hereto as Appendix D, the Township will maintain the same level of municipal programs and services provided within the NID District before the effective date of the ordinance as after such effective date.

Pursuant to the NID Management Agreement, the NIDMA will prepare any reports necessary to comply with the Act. The NIDMA will submit annually to the Pennsylvania Department of Community and Economic Development the audit required by Section 9(1) of the Act (73 P.S. §839(1)) and to the Township the report required by Section 9(2) of the Act (73 P.S. §839 (2)).





## Appendix A

the Township in any way related to the administration of the NID or the Bonds, including, without limitation, the costs of official meetings, the costs of legal counsel, auditors and other consultants and advisors, and costs related to commencing foreclosure and pursuing collection of delinquent Annual Payments as well as reserves for such costs as determined reasonable by the NIDMA; or any other costs related to the administrator of the Bonds as provided for in the Bond Indenture.

**“Administrator”** means the official or designee of the NIDMA who shall be responsible for determining the Annual Revenue Requirement, calculating the Annual Payment for each Parcel, preparing the update of the Special Assessment Roll, and such other responsibilities as provided herein, in the Bond Indenture, in the Agreement for Administrative services, or by the NIDMA.

**“Annual Installment”** means the annual payments of the Special Assessments as set forth in the payment schedule in the Special Assessment Roll, which represents the amount that may be collected each Assessment Year pursuant to provisions herein. The Annual Installments for each Parcel shall be calculated pursuant to Section D. The Annual Installment for each year as shown on the Special Assessment Roll may be revised by the NIDMA to better match the debt service on the Bonds and Administrative Expenses as long as the total of the Special Assessment is not exceeded.

**“Annual Obligations”** means, for each Assessment Year, an amount equal to the following: (1) debt service on the Bonds to be paid from the Annual Payments and (2) Administrative Expenses.

**“Annual Payment”** means the portion of the Annual Installment to be collected each Assessment Year from each Parcel as determined by the provisions of Section D.1. The Annual Payment for any Parcel may be less than but may not exceed the Annual Installment for such Parcel for any Assessment Year.

**“Annual Revenue Requirement”** means, for any Assessment Year, the sum of the Annual Obligations less Available Funds.

**“Assessed Property”** means, for any Assessment Year, Parcels within the NID other than Non-Benefited Property.

**“Assessment Year”** means the annual cycle in which the Annual Payment is determined each year for each Parcel, the Annual Payment is collected, and these revenues are applied to the payments on the Bonds each year.

**“Authority”** means the Quakertown General Authority.

**“Land Use Class 2: Congregate Care (CC)”** means Real Property that is developed as units for group care for ages 55+, including any ancillary uses thereto.

**“Land Use Class 3: Assisted Living Facility (ALF)”** means Real Property that is developed as units for persons in need of assisted living care, including any ancillary uses thereto.

**“Land Use Class 4: Nursing Center (NC)”** means Real Property that is developed as units (and/or beds) for persons in need of nursing care, including any ancillary uses thereto.

**“Land Use Class 5: School/Daycare”** means Real Property used or intended to be used primarily for education and care under the age of eighteen (18), including any ancillary uses thereto.

**“Land Use Class 5: Commercial-Retail”** means Real Property used or intended to be used primarily for retail sales, including any ancillary uses thereto.

**“Mandatory Special Assessment Prepayment”** shall mean a mandatory prepayment of Special Assessments pursuant to Section J.

**“Multiple Family Dwelling”** means Residential Property that has a common outside entrance or entrances for all dwelling units with units that are generally designed to occupy a single floor one above another.

**“NIDMA”** means the Milford Village Neighborhood Improvement District Management Association.

**“Non-Benefited Property”** means Public Property, Property Owner Association Property, or easements that create an exclusive use for a public utility provider.

**“Parcel”** means a lot or parcel with a tax map identification number assigned by the Township for real property tax purposes or a parcel otherwise identified by the NIDMA.

**“Principal Portion of Special Assessments”** means the portion of the Special Assessments equal to the principal amount of the Bonds to be issued, as shown on the Special Assessment Roll, as updated from time to time as provided for herein. The Principal Portion of Special Assessments shall initially be allocated to Assessed Property proportionate to the Special Assessments as set forth in Section C hereof. The Principal Portion of Special Assessments may be increased for each Parcel of Assessed Property pro rata to the Principal Portion of the Special Assessments of each parcel for refunding Bonds or other reasons as long as the total of the Special Assessments is not increased to more than the amount set forth in the Special Assessment Roll.

**“Property Owner Association Property”** means Parcels within the boundaries of the NID owned by or irrevocably offered for dedication to a property owners’ association (if not used in a trade or business) and available for use by property owners in general.

Assessments shall be allocated to and set for each Parcel by the NIDMA upon the issuance of the Bonds and shall not be changed thereafter except pursuant to the provisions herein. The NIDMA shall allocate and set the Special Assessments on each Parcel according to the following formula:

$$A = (B \div C) \times D$$

Where the terms have the following meanings:

- A = the Special Assessments for a Parcel
- B = the Equivalent Unit(s) of the Parcel
- C = the sum of the Equivalent Unit(s) of all of the Parcels in the NID
- D = the total of the Special Assessments for all Parcels as shown in the Special Assessment Roll

## **2. Reapportionment of Special Assessments**

### **a. Request of a Parcel Owner**

Upon a change in the estimate of the total of the Equivalent Unit(s) of a Parcel, the NIDMA may reapportion the Special Assessments on some or all of the Parcels upon the unanimous request of the owners of the Parcels for which the Special Assessments are to be reapportioned. The reapportionment shall be made according to the following formula:

$$A = (B \div C) \times D$$

Where the terms have the following meanings:

- A = the Special Assessments of the new Parcel
- B = the Equivalent Unit(s) of the new Parcel
- C = the total Equivalent Unit(s) of all Parcels subject to the reallocation
- D = the total of the Special Assessments for all Parcels subject to the reallocation

In all cases, the sum of the Special Assessments after a reallocation of the Special Assessments shall equal the total of the Special Assessments prior to such reallocation.

### **b. Subdivision of a Parcel**

Upon the subdivision of any Parcel, the Special Assessments of the Parcel prior to the subdivision shall be reallocated to each new Parcel in proportion to the Equivalent Unit(s) of each Parcel and the Special Assessments for the Parcel prior to the subdivision. The reapportionment of the Special Assessments shall be represented by the formula:

Second, if additional reductions are to be made in the Special Assessments, the Special Assessments shall be reduced by an equal percentage such that the sum of the resulting Special Assessments for every Parcel equals the actual costs to be incurred by the Authority.

The Special Assessments as reduced according to the provisions of this section shall not be reduced to an amount that is less than the outstanding amount of the Bonds, debt service on the outstanding Bonds, and estimated Administrative Expenses.

The Principal Portion of Special Assessments shall be reduced in the same manner as the reduction in the Special Assessments such that the total of the Principal Portion of the Assessments is equal to the total principal of the outstanding Bonds and any Bonds to be issued (including refunding Bonds).

b. Repayment of the Bonds

The Special Assessments and the Annual Installment applicable to any Parcel shall be reduced each Assessment Year in an amount equal to the Annual Payment collected from such Parcel. The Principal Portion of Special Assessments shall be reduced for the principal portion of the Annual Payments collected from each Parcel.

c. Prepayment of Special Assessment

The Special Assessments and the Principal Portion of Special Assessments applicable to any Parcel shall be reduced (or eliminated) as the result of any prepayment of Special Assessments for the Parcel.

**D. METHOD OF DETERMINING THE ANNUAL PAYMENT**

Commencing in the first Assessment Year shown on the Special Assessment Roll and for each following Assessment Year, the Administrator shall calculate and the NIDMA shall confirm the Annual Payment on each Parcel pursuant to the following provisions.

**1. The Annual Payment**

The Annual Payment shall be paid each year for any Parcel for which the Special Assessments have not been paid in full in an amount equal to the lesser of (i) the Annual Installment for the Parcel, and (ii) an amount calculated pursuant to the following formula:

**F. MANNER OF COLLECTION OF THE ANNUAL PAYMENT**

The Annual Payments shall be collected by the NIDMA at the same time as regular property taxes of the Township. Interest and penalties on the Special Assessments will be imposed in the same amounts as would be available for failure to pay local, Borough, real estate taxes on the parcels (without discount for early payment), and collected in the same manner as interest and penalties under the Act and the Municipal Claim and Tax Lien Law (53 P.S. § 7101 *et seq.*). In the event of any delinquencies related to the payment of the Annual Installments, the Township shall file and prosecute a claim in the Prothonotary's Office of Bucks County in the same manner as municipal tax claims are filed and collected. Any party taking title to a Parcel, including a buyer at a foreclosure sale, shall take title to the Parcel subject to the obligation to pay Special Assessments thereafter as provided for herein. If for any reason Special Assessments may not be collected thereafter, the Principal Portion of the Special Assessment for the Parcel, along with other charges and credits as would apply for a prepayment of Special Assessments, shall be due and payable at the time of the transfer without further action required by the NIDMA. The NIDMA may provide for other means of collecting the Annual Payment, to the extent permitted under the Act.

**G. ADMINISTRATIVE REVIEW**

A Parcel owner claiming that a calculation error has been made in the update of Special Assessment Roll in any Assessment Year, including the calculation of the Annual Payment, shall send a written notice describing the error to the Administrator and the NIDMA not later than one year after the date any amount that is alleged to be incorrect is due by the Parcel owner prior to seeking any other remedy. The Administrator shall promptly review the notice, and if necessary, meet with the Parcel owner, consider written and oral evidence regarding the alleged error and decide whether, in fact, such a calculation error occurred.

The decision of the Administrator regarding a calculation error relating to the Special Assessment Roll may be appealed to the NIDMA, in which case the NIDMA shall promptly consider such appeal, take into consideration the evidence provided by the Administrator and any additional evidence deemed relevant by the NIDMA, and decide the appeal.

If the Administrator or the NIDMA determines that a calculation error has been made that requires the Special Assessment Roll to be modified or changed in favor of an owner, such correction shall be made to the Special Assessment Roll in the following Assessment Year, unless the Administrator determines that there will be sufficient funds to cover the Annual Revenue Requirement if a correction is made in the current Assessment Year.

The decision of the Administrator, or if such decision is appealed, the decision of the NIDMA, may be appealed, or the Parcel owner may take such other legal action, in accordance with, and as may be allowed by, applicable law. This procedure shall be exclusive and its exhaustion by any Parcel owner shall be a condition precedent to any other appeal or legal action by such owner.

**J. MANDATORY PREPAYMENT OF SPECIAL ASSESSMENTS**

**1. Prepayment of Special Assessments for Non-Benefited Property**

A Mandatory Prepayment of Special Assessments shall be required on any Parcel that is acquired by an entity that results in the Parcel being classified as Non-Benefited Property, if the Special Assessments may not be reapportioned to a Parcel of Assessed Property pursuant to the provisions herein. The prepayment of the Special Assessment shall be calculated as set forth in Section I.

**K. AMENDMENTS**

Immaterial amendments may be made to this Rate and Method of Apportionment of Special Assessments by the NIDMA without further notice under the Act and without notice to owners of Assessed Property. Immaterial amendments shall be those that (i) clarify or correct minor inconsistencies in the matters set forth herein, (ii) provide for lawful procedures for the collection and enforcement of Special Assessments and other charges imposed herein so as to assure their efficient collection, and (iii) otherwise improve the ability of the NIDMA to fulfill its obligations to impose and collect Special Assessments and charges imposed herein and to make them available for the payment of the Bonds and Administrative Expenses.

**L. INTERPRETATION OF PROVISIONS**

The NIDMA shall make all interpretations and determinations related to the application of this Rate and Method of Apportionment of Special Assessments, unless stated otherwise herein or in the Bond Indenture, and as long as there is a rational basis for the determination made by the NIDMA, such determination shall be conclusive.

**M. SEVERABILITY**

If any section or part of a section of this Rate and Method of Apportionment of Special Assessments is declared invalid or unenforceable, the validity, force, and effect of any other section or part of a section herein shall not thereby be affected or impaired unless such other section or part of a section herein is wholly or necessarily dependent upon the section or part of a section so held to be invalid or unenforceable.

**APPENDIX E-1  
TOTAL ANNUAL INSTALLMENTS - PRELIMINARY**

| Assessment Year (1) | Bond Year Ending | Principal         | Interest          | Administrative Expense | Annual Installment |
|---------------------|------------------|-------------------|-------------------|------------------------|--------------------|
| 2025                | 15-May-2025      |                   |                   | 100,000                | 100,000            |
| 2028                | 15-May-2028      |                   |                   | 102,000                | 102,000            |
| 2027                | 15-May-2027      |                   |                   | 104,040                | 104,040            |
| 2028                | 15-May-2028      | 490,000           | 1,792,400         | 106,121                | 2,388,521          |
| 2029                | 15-May-2029      | 535,000           | 3,563,400         | 108,243                | 4,206,643          |
| 2030                | 15-May-2030      | 575,000           | 3,519,000         | 110,408                | 4,204,408          |
| 2031                | 15-May-2031      | 625,000           | 3,471,000         | 112,616                | 4,208,616          |
| 2032                | 15-May-2032      | 675,000           | 3,419,000         | 114,869                | 4,208,869          |
| 2033                | 15-May-2033      | 735,000           | 3,362,600         | 117,166                | 4,214,766          |
| 2034                | 15-May-2034      | 795,000           | 3,301,400         | 119,509                | 4,215,909          |
| 2035                | 15-May-2035      | 860,000           | 3,235,200         | 121,899                | 4,217,099          |
| 2036                | 15-May-2036      | 935,000           | 3,163,400         | 124,337                | 4,222,737          |
| 2037                | 15-May-2037      | 1,010,000         | 3,085,800         | 126,824                | 4,222,424          |
| 2038                | 15-May-2038      | 1,095,000         | 3,001,400         | 129,361                | 4,225,761          |
| 2039                | 15-May-2039      | 1,185,000         | 2,910,200         | 131,948                | 4,227,148          |
| 2040                | 15-May-2040      | 1,285,000         | 2,811,400         | 134,587                | 4,230,987          |
| 2041                | 15-May-2041      | 1,390,000         | 2,704,400         | 137,279                | 4,231,679          |
| 2042                | 15-May-2042      | 1,505,000         | 2,586,600         | 140,024                | 4,233,624          |
| 2043                | 15-May-2043      | 1,635,000         | 2,463,000         | 142,825                | 4,240,825          |
| 2044                | 15-May-2044      | 1,770,000         | 2,326,800         | 145,681                | 4,242,481          |
| 2045                | 15-May-2045      | 1,915,000         | 2,179,400         | 148,595                | 4,242,995          |
| 2048                | 15-May-2046      | 2,075,000         | 2,019,800         | 151,567                | 4,246,367          |
| 2047                | 15-May-2047      | 2,250,000         | 1,846,800         | 154,598                | 4,251,398          |
| 2048                | 15-May-2048      | 2,435,000         | 1,659,400         | 157,690                | 4,252,090          |
| 2049                | 15-May-2049      | 2,640,000         | 1,456,400         | 160,844                | 4,257,244          |
| 2050                | 15-May-2050      | 2,860,000         | 1,236,400         | 164,061                | 4,260,461          |
| 2051                | 15-May-2051      | 3,095,000         | 998,200           | 167,342                | 4,260,542          |
| 2052                | 15-May-2052      | 3,355,000         | 740,200           | 170,689                | 4,265,889          |
| 2053                | 15-May-2053      | 3,635,000         | 460,600           | 174,102                | 4,269,702          |
| 2054                | 15-May-2054      | 3,940,000         | 157,600           | 177,584                | 4,275,184          |
| 2055                | 15-May-2055      |                   |                   |                        |                    |
| <b>TOTAL</b>        |                  | <b>45,300,000</b> | <b>63,473,600</b> | <b>4,056,808</b>       | <b>112,830,408</b> |

<sup>1</sup>Represents the annual cycle in which the Annual Payment is determined each year for each Parcel, the Annual Payment is collected, and these revenues applied to the payments on the Bonds ; <sup>2</sup>Interest Capitalized in Year 2025 and Year 2026 and 2027

**Appendix E-3**

| Land Use Class          | Proposed Development (Units) | Total EUs      | % Allocation | Series 2024 Principal | Series 2024 Principal per Unit |
|-------------------------|------------------------------|----------------|--------------|-----------------------|--------------------------------|
| Apartments              | 262                          | 262.0          | 23.0%        | \$10,422,936          | \$39,782                       |
| Retail                  | 43,500                       | 43.5           | 3.8%         | \$1,730,526           | \$39.78                        |
| Congregate Care         | 225                          | 225.0          | 19.8%        | \$8,950,997           | \$39,782                       |
| Assisted Living - Built | 141                          | 141.0          | 12.4%        | \$5,609,291           | \$39,782                       |
| Nursing Center - Built  | 140                          | 140.0          | 12.3%        | \$5,569,509           | \$39,782                       |
| LifeSpan School - Built | 5,200                        | 5.2            | 0.5%         | \$206,867             | \$39.78                        |
| Retail                  | 49,000                       | 49.0           | 4.3%         | \$1,949,328           | \$39.78                        |
| Congregate Care         | 273                          | <u>273.0</u>   | 24.0%        | <u>\$10,880,543</u>   | \$39,782                       |
| <b>TOTAL</b>            |                              | <b>1,138.7</b> |              | <b>\$45,300,000</b>   |                                |

| Land Use Class          | Proposed Development (Units) | Total EUs      | % Allocation | Series 2024 MADS   | Series Annual Debt Service per Unit |
|-------------------------|------------------------------|----------------|--------------|--------------------|-------------------------------------|
| Apartments              | 262                          | 262.0          | 23.0%        | \$942,988          | \$3,599                             |
| Retail                  | 43,500                       | 43.5           | 3.8%         | \$156,565          | \$3.60                              |
| Congregate Care         | 225                          | 225.0          | 19.8%        | \$809,818          | \$3,599                             |
| Assisted Living - Built | 141                          | 141.0          | 12.4%        | \$507,486          | \$3,599                             |
| Nursing Center - Built  | 140                          | 140.0          | 12.3%        | \$503,887          | \$3,599                             |
| LifeSpan School - Built | 5,200                        | 5.2            | 0.5%         | \$18,716           | \$3.60                              |
| Retail                  | 49,000                       | 49.0           | 4.3%         | \$176,360          | \$3.60                              |
| Congregate Care         | 273                          | <u>273.0</u>   | 24.0%        | <u>\$982,579</u>   | \$3,599                             |
| <b>TOTAL</b>            |                              | <b>1,138.7</b> |              | <b>\$4,098,400</b> |                                     |

| Parcel Tax ID  | Land Use Class          | Total EUs      | % Allocation | Series 2024 MADS   | Administrative Expenses | Total Debt Service + Admin Expenses |
|----------------|-------------------------|----------------|--------------|--------------------|-------------------------|-------------------------------------|
| 23-010-175-001 | Apartments              | 262.0          | 23.0%        | \$942,988          | \$23,009                | \$965,997                           |
| 23-010-175-001 | Retail                  | 43.5           | 3.8%         | \$156,565          | \$3,820                 | \$160,385                           |
| 23-010-179     | Congregate Care         | 225.0          | 19.8%        | \$809,818          | \$19,759                | \$829,578                           |
| 23-015-099     | Assisted Living - Built | 141.0          | 12.4%        | \$507,486          | \$12,383                | \$519,869                           |
| 23-015-099-004 | Nursing Center - Built  | 140.0          | 12.3%        | \$503,887          | \$12,295                | \$516,182                           |
| 23-015-099-005 | LifeSpan School - Built | 5.2            | 0.5%         | \$18,716           | \$457                   | \$19,172                            |
| 23-015-100     | Retail                  | 49.0           | 4.3%         | \$176,360          | \$4,303                 | \$180,664                           |
| 23-015-115-004 | Congregate Care         | <u>273.0</u>   | 24.0%        | <u>\$982,579</u>   | <u>\$23,975</u>         | <u>\$1,006,554</u>                  |
| <b>TOTAL</b>   | <b>TOTAL</b>            | <b>1,138.7</b> |              | <b>\$4,098,400</b> | <b>\$100,000</b>        | <b>\$4,198,400</b>                  |



## Appendix B

**WHEREAS**, as described within the NID Plan, the Board intends to authorize the NIDMA to impose a special assessment on real property located within the NID in accordance with the provisions of the Rate and Method of Apportionment of Special Assessments included within the NID Plan, which methodology is in compliance with the provisions of Section 837 of the Act, in order to provide for the payment of bonds (the “**Bonds**”) to be issued by the Quakertown General Authority (the “**Authority**”) to finance certain public infrastructure improvements in connection with a mixed-use development known as “River Pointe” which, together with certain adjacent real estate comprises the NID; and

**WHEREAS**, the Board has determined to designate Milford Village Neighborhood Improvement District Management Association, a Pennsylvania nonprofit corporation, to serve as the NIDMA for the NID, as proposed under the NID Plan; and

**WHEREAS**, in connection with the creation of the NID and the issuance of the Bonds by the Authority, the Township will be entering into (i) a NID Management Agreement with the NIDMA (the “**NID Management Agreement**”), as required by the Act and as provided for within the NID Plan, which provides that the NIDMA will impose Special Assessments, collect the Special Assessments and have the right to collect interest and penalties with respect to the delinquent Special Assessments; (ii) a Funding Agreement among the Authority, The Bank of New York Mellon Trust Co., N.A., as trustee, the Township, LifeQuest, Inc. and the NIDMA (the “**Funding Agreement**”); and (iii) a Pledge and Security Agreement with the Authority and the NIDMA for the pledge and assignment of the interests of the Township and the NIDMA in the special assessments to serve as the source of payment and security for the Bonds (the “**Pledge and Security Agreement**”);

**WHEREAS**, the Board intends to authorize all further actions that may be necessary or appropriate to carry out the intent and purposes of this ordinance, all in keeping with the provisions of the Act and in accordance with the NID Plan.

**NOW THEREFORE, BE IT ORDAINED AND ENACTED** by the Milford Township, Bucks County, Pennsylvania, in accordance with the Act, as follows:

**Section 1.** The Board hereby approves the NID Plan, attached hereto as Exhibit “A”, and hereby designates the area or areas identified in the NID Plan as a NID. The name of the NID is the “Milford Village Neighborhood Improvement District”.

**Section 2.** The Board hereby designates the Milford Village Neighborhood Improvement District Management Association as the NIDMA to administer programs, improvements, and services within the NID in accordance with the Act with duties and responsibilities to be set forth in a management agreement containing terms and provisions satisfactory to the Township and the NIDMA. The Board additionally hereby designates the President of the Board and the Township Manager to serve as designated members of the board of directors of the NIDMA.

**Section 3.** The Board, pursuant to Section 837 of the Act, hereby authorizes the imposition by the NIDMA of special assessments on real property located within the NID in accordance with the Rate and Method of Apportionment of Special Assessments set forth in the NID Plan, such Rate and Method of Apportionment of Special Assessments being in compliance



**MILFORD VILLAGE NEIGHBORHOOD IMPROVEMENT DISTRICT  
MANAGEMENT ASSOCIATION**

**BYLAWS**

**Article I – Name**

The name of the Corporation is “MILFORD VILLAGE NEIGHBORHOOD IMPROVEMENT DISTRICT MANAGEMENT ASSOCIATION.”

**Article II – Registered Office**

The registered office of the Corporation shall be in the Commonwealth of Pennsylvania, at c/o LifeQuest, Inc., 2460 John Fries Highway, Quakertown, PA 18951, or such other place as may be established from time to time by the Board of Directors.

**Article III – Purposes**

The purpose for which the Corporation is formed is to serve as the Neighborhood Improvement District Management Association for the Milford Village Neighborhood Improvement District (the “*NID*”) located in Milford Township, Bucks County, Pennsylvania (the “*Township*”) pursuant to and in accordance with the provisions of Pennsylvania’s “Neighborhood Improvement District Act” (P.L. 949, December 20, 2000, 73 P.S. §831 *et seq.*), as may be hereafter amended (the “Act”). Without limiting the generality of the foregoing, the Corporation shall have the following specific purposes:

(i) To carry out its duties and responsibilities under that certain NID Management Agreement dated as of [March] 12, 2025, between the Township and the Corporation relating to the NID (the “*NID Agreement*”), and as contemplated by the NID Plan (as defined in the NID Agreement) relating to the NID; and

(ii) To do any and all things necessary and proper to carry out and perform the above purposes and all things incidental thereto.

**Article IV – Notice of Meetings**

Notices of all meetings of the board of directors, whether designated as a regular or special meeting, shall be in writing and sent through the United States mail, facsimile, e-mail or other electronic transmission, or shall be given by telephone to each director, as the case may be. A notice of meeting shall specify the place, day and hour of the meeting and any other information required by statute or these Bylaws. When a special meeting is recessed to another date, it shall not be necessary to give any notice of the resumption of the recessed meeting or of the business to be transacted upon the resumption of the recessed meeting, other than by announcement at the meeting at which such recess is taken.

**Article V – Waiver of Notice**

Whenever any notice is required to be given by the provisions of the Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notices, whether before or after the time stated therein, shall be equivalent thereto. Neither the business to be transacted nor the

## Article VII – Officers

**Section 1. Officers.** The officers of the Corporation shall be the President, the Vice President, the Secretary, the Assistant Secretary and the Treasurer.

**Section 2. Duties.** The duties of the officers shall be such as are usually performed by such officers, together with such other duties as the Board of Directors shall prescribe.

(a) **President:** The President shall be the chief executive officer of the Corporation. The President shall preside at all meetings of the Board of Directors, shall have general and active management of the business of the Corporation, shall appoint all committees and shall be, ex-officio, a member of all committees. The President shall execute all bonds, mortgages, agreements and other documents requiring a seal, under the seal of the Corporation, and shall have the general powers and duties generally incidental to the office.

(b) **Vice President:** During the absence or disability of the President, the Vice President shall exercise all functions of the President.

(c) **Secretary:** The Secretary shall attend all meetings of the Board of Directors and shall record all votes, as well as the minutes of all transactions, in a book to be kept for that purpose. The Secretary shall give, or cause to be given, notice of all meetings of the Board of Directors and shall perform such other duties as may be prescribed by the Board of Directors or the President. The Secretary shall keep in safe custody the books and records of the Corporation, as well as the corporate seal, and, when authorized by the Board of Directors, shall affix the seal to any instrument requiring it.

(e) **Assistant Secretary:** During the absence or disability of the Secretary, the Assistant Secretary shall exercise all functions of the Secretary.

(f) **Treasurer:** The Treasurer shall have custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in appropriate corporate books and shall keep the monies of the Corporation in a separate account or accounts to the credit of the Corporation. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking a proper voucher for such disbursements, and shall render to the President and the Board of Directors at the regular meetings of the Board of Directors, or whenever the Board of Directors may require, an account of all transactions and of the financial condition of the Corporation.

## Article VIII – Duties, Powers and Obligations of the Board of Directors

**Section 1. Management.** The property and business of the Corporation shall be managed by the Board of Directors.

**Section 2. Specific Powers.** In addition to the general powers of the Board of Directors by virtue of their office, the powers and authority expressly given by law, including, without limitation, the Act, and the powers and authority given by the terms of the charter of the Corporation and by these Bylaws, the following specific powers are expressly conferred on the Board of Directors:

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

(d) A director shall not be personally liable, as such, for monetary damages for any action taken, or any failure to take any action, unless:

(i) the director has breached or failed to perform the duties of his or her office under this section; and

(ii) the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.

The provisions of this Section 3(d) shall not apply to the responsibility or liability of a director pursuant to any criminal statute, or the liability of a director for the payment of taxes pursuant to local, state or Federal law.

(e) A director who is present at a meeting of the Board of Directors, or of a committee of the Board of Directors, at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his or her dissent is entered in the minutes of the meeting or unless the director files a written dissent to the action with the secretary of the meeting before the adjournment thereof or transmits the dissent in writing to the Secretary of the Corporation immediately after the adjournment of the meeting. The right to dissent shall not apply to a director who voted in favor of the action. Nothing in this Section 3(e) shall bar a director from asserting that minutes of the meeting incorrectly omitted or inaccurately described his or her dissent if, promptly upon receipt of a copy of such minutes, the director notifies the secretary of the meeting or the Secretary of the Corporation in writing of the asserted omission or inaccuracy.

## **Article IX – Elections and Terms of Office**

**Section 1. Elections.** Elections for directors who are not representative members, if any, and whose terms are expiring shall be held every year at a meeting of the Board of Directors. Elections are also to be held by the Board of Directors at the first available meeting to fill vacancies arising pursuant to the provisions of Article IX, Section 5(b) of these Bylaws.

**Section 2. Election.** Except for the representative members representing the Township, the QGA and the representative(s) of the property owner or owners within the NID, who shall be selected as provided in Article VI, Section 2 hereof, the entire Board of Directors shall elect any additional members of the Board of Directors at a meeting of the Board of Directors, the date for which shall be fixed by the President of the Board of Directors. The terms of the directors may, but need not be, staggered in such manner that the terms of no more than fifty percent (50%) of the total directors shall expire in any one (1) year. Voting may be by ballot, mail or any reasonable means determined by the Board of Directors. Elections for directors need not be by ballot except upon demand made by a director at the election and before the voting begins.

**Section 3. Officers.** Officers shall be elected every five (5) years by the Board of Directors at such time as determined by the Board of Directors.

**Section 4. Terms.** The term of office for all the officers and the members of the Board of Directors, including the initial members of the Board of Directors, shall be for five (5) years,

## **Article XII – Property, Personal Liability of Directors and Indemnification**

**Section 1. Property.** The property, money or securities of the Corporation shall never become or be deemed to be the property of the individual members of the Board of Directors.

**Section 2. No Personal Liability for Debts.** The directors and the officers shall not be personally liable for any of the debts or obligations of the Corporation.

**Section 3. Liability.** A director of the Corporation shall not be personally liable for monetary damages for any action taken or failure to take any action unless it is determined by a court (or if it is ultimately judicially interpreted that such determination is to be made by the Board of Directors, then unless it is determined by the Board of Directors) that the director has breached or has failed to perform the duties of his or her office and such breach or failure to perform constitutes self-dealing, willful misconduct or recklessness; however, the foregoing provision shall not eliminate or limit the liability of a director (a) for any responsibility or liability of such director pursuant to any criminal statute or (b) for any liability of a director for the payment of taxes pursuant to local, state or Federal law. Any repeal or modification of this Section 3 shall be prospective only, and shall not adversely affect any limitation on the personal liability of a director existing at the time of such repeal or modification.

### **Section 4. Indemnification of Directors and Officers**

(a) **Right to Indemnification.** Except as otherwise provided below, each person who was or is made a party to, or is threatened to be made a party to, or is involved in, any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a “*proceeding*”) and whether or not by, or in the name of, the Corporation, or otherwise by reason of the fact that he or she, or a person of whom he or she is the heir, executor or administrator, is or was a director, officer or representative of the Corporation or is or was serving at the request of the Corporation as a director, officer or representative of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, and whether or not the basis of such proceeding is alleged action in an official capacity as a director, officer or representative, or in any other capacity while serving as director, officer or representative, shall be indemnified and held harmless by the Corporation to the fullest extent permitted by law, as the same exists or may hereinafter be amended, interpreted or implemented (but, in the case of any amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than the Corporation was permitted to provide prior to such amendment), against all reasonable expenses, including attorneys’ fees, and any liability and loss, including judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement, incurred or paid by such person in connection therewith; however, indemnification shall not be made in any case where the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness. Notwithstanding the foregoing, except as provided in subsection (b) of this Section 4, the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors. The right to indemnification conferred in this Section 4 shall be a contract right and shall include the right to be paid by the Corporation the expenses incurred in defending any such proceeding in advance of the final disposition thereof promptly after receipt by the Corporation of a request therefor stating in reasonable detail the expenses incurred; however, to the extent required by law, the payment of such expenses incurred by a director, officer or representative in advance of the final disposition of a proceeding shall be made only upon receipt

(b) to demand that the Corporation exercise whatever rights it may have to obtain information regarding any other subsidiaries of the Corporation.

#### **ARTICLE XIV – Annual Reports**

The Board of Directors shall annually:

(a) submit an audit of all income and expenditures of the Corporation to the Pennsylvania Department of Community and Economic Development, the Township and the Board of Directors of QGA, within one hundred twenty (120) days after the end of each fiscal year;

(b) submit a report, including financial and programmatic information, if any, including a summary of audit findings, to the Township, the Board of Directors of QGA and to all assessed property owners within the NID; and

(c) submit such other reports and documents to such parties as may from time to time be required by the Act.

#### **ARTICLE XV – Conflict of Interest**

**Section 1. Adoption of Policy.** The Board of Directors shall adopt a policy on conflicts of interest to provide for appropriate disclosure by interested persons who may have a financial interest in a proposed transaction or arrangement involving the Corporation and to provide an objective means for identifying and resolving any conflicts of interest which may result.

**Section 2. Periodic Review.** The Board of Directors shall provide for a system of periodic reviews to ensure compliance with the conflicts of interest policy and that the Corporation's operations do not result in any impermissible private benefit.

**Section 3. Annual Statements.** Each Director and Officer of the Corporation shall annually sign a statement to the effect that he or she has received, read, understands and agrees to comply with the provisions of the conflicts of interest policy.

#### **Article XVI - Miscellaneous Provisions**

**Section 1. Checks, Notes.** All checks or demands for money and notes of the Corporation shall be signed by any two (2) officers, or such other persons as the Board of Directors may from time to time designate.

**Section 2. Fiscal Year.** The fiscal year shall begin the first day of January in each year and end the 31<sup>st</sup> day of December in each year, or shall be such other fiscal year as the Board of Directors may hereafter designate.

**Section 3. Distribution of Income.** The Corporation was formed for the specific purposes mentioned in its Articles of Incorporation and these Bylaws. Any income or earnings received by the Corporation from any source whatsoever that the Corporation shall not otherwise be obligated to apply in accordance with the Act or the NID Agreement shall be applied first, to the expense, maintenance and operation of the Corporation, and the balance remaining after such applications shall be used solely for the purposes of the Corporation. No dividends of any kind shall ever be declared or paid.



## Appendix D

**WHEREAS**, pursuant to a Pledge and Security Agreement dated as of the date hereof (the “**Pledge Agreement**”) among QGA, the Township and the NIDMA, the NIDMA and the Township are assigning all of their respective rights, title and interests in Special Assessment Fees (as defined in the Act) being imposed by the NIDMA on each taxable parcel (each, a “**Parcel**”) within the District to QGA, who will, in turn, assign such rights, title and interests to the Trustee, as security for and a source of payment of principal of and interest on the Bonds, and to pay Administrative Expenses (as defined in the Indenture), which include the fees and expenses of the NIDMA and fees paid to the NID Administrator (hereafter defined) with respect to the District (the “**NIDMA Administrative Expenses**”); and

**WHEREAS**, the Act requires the Township and the NIDMA to enter to an agreement in writing detailing their respective duties and responsibilities with respect to the District and the parties hereby intend this Agreement to fulfill such requirement.

**NOW, THEREFORE**, for and in consideration of the foregoing and the respective rights and obligations of the parties herein set forth, the parties hereto, intending to be legally bound, hereby covenant and agree as follows:

**Section 1.** Appointment of Management Association. The NIDMA is hereby appointed by the Township as the administrative body to govern and administer the District. The NIDMA is to have all powers set forth in Section 837 of the Act, including, but not limited to, the power to impose and collect special assessment fees (the “**Special Assessments**”), to impose liens on property for the nonpayment of property assessments, and to provide management and administrative services to the Township in accordance with the terms of this Agreement and the Administration Agreement (hereinafter defined).

The NIDMA’s management services include, but are not limited to, the management of programs and services within the District as determined by the board of directors of the NIDMA (the “**Board**”). The NIDMA’s administrative services include, but are not limited to, levying and collecting Special Assessments, preparing and submitting reports and financial statements required under the Act, and such other services as determined by the Board.

**Section 2.** **Levy of Special Assessment Fees.** The Township and the NIDMA covenant and agree that the NIDMA is authorized, and the NIDMA hereby covenants and agrees, to levy Special Assessments on Parcel owners within the District at the times and in accordance with the assessment methodology set forth in Appendix “A” to the NID Plan, entitled “Rate and Method of Apportionment of Special Assessments” (the “**Assessment Methodology**”), which Assessment Methodology, including, without limitation, the provisions thereof relating to prepayments of, the reductions of, and the credits against the Special Assessments, is incorporated herein by reference as if set forth at length. The amount that a Parcel owner will be obligated to pay as a Special Assessment in any year, the Annual Installment (as defined in the Assessment Methodology), will be established in accordance with the Assessment Methodology; provided, however, that no payment, the Annual Installment (as defined in the Assessment Methodology), will be due and payable unless the Township and the NIDMA have received written notification from the Trustee, the NID Administrator (hereinafter defined) or QGA that the Pledged Increments received by the Trustee, together with other funds available under the Indenture, are insufficient to pay the principal of and interest on the Bonds in such year, together with the Administrative Expenses, which include the NIDMA Administrative Expenses and the Township Administrative Expenses (hereinafter defined) related to the District and the Bonds (a

NIDMA shall prepare and deliver to the Township, at least thirty (30) days prior to the date upon which the Township mails, or causes to be mailed, tax notices, a list of all the Parcel owners, including name, tax mailing address and block and lot reference, located within the District. At that time, the NIDMA shall also deliver to the Township a notice, in a form acceptable to the Township, notifying each Parcel owner within the District of the Annual Installment for that year. The annual notice to the Parcel owners shall indicate whether an Annual Installment is then due or whether no Annual Installment is due because of the absence of a Deficiency. Any Annual Installments of Special Assessments determined to be due and owing shall be payable to the NIDMA, on behalf of the Township, on or before the date on which real estate taxes are due and payable to the Township.

**Section 5. Collection of Special Assessments; Notice of Delinquency; Interest and Penalties.**

(a) The NIDMA will collect the Special Assessments. The collection of the Special Assessments will be performed in accordance with the NID Plan, or as otherwise provided in the Act. The NIDMA will create and maintain such records of properties, Special Assessments, payments and related matters for the properties within the District. The NIDMA will notify the Township, the NID Administrator, QGA and the Trustee of any Parcel owner that is delinquent in payment of any Annual Installment of the Special Assessment within sixty (60) days of the due date for such payment. Interest and penalties on the Special Assessments will be imposed in the same amounts as would be available for failure to pay local, Township, real estate taxes on the parcels (without discount for early payment), and collected in the same manner as interest and penalties under the Act and the Municipal Claim and Tax Lien Law (53 P.S. § 7101 *et seq.*). Following notice of delinquency from and upon consultation with the NIDMA, the Township will, as soon as practicable, file, or cause to be filed, a lien upon the assessed property for nonpayment of the Special Assessment with the Prothonotary for the Court of Common Pleas of Montgomery County at the time and in the same manner and form as municipal tax claims.

In connection with the NIDMA's undertaking to collect the Special Assessments, the parties hereto agree that the NIDMA may engage the services of a third party tax collection firm to collect the Special Assessments on behalf of the NIDMA. The fees and expenses of such third party tax collector will be included as an Administrative Expense.

Additionally, the NIDMA will have the right to include the amount of the reasonable costs and expenses incurred by the NIDMA and the Township in the collection of the Special Assessments as an Administrative Expense.

(b) The NIDMA is to pursue the collection of each delinquent payment of a Special Assessment with the same diligence employed in the collection of any other Township assessments. The NIDMA will have the right to impose and collect penalties and interest on delinquent Special Assessments and apply such amounts toward the reasonable costs and expenses incurred by the NIDMA and Township in the collection of such delinquent Special Assessments as an Administrative Expense; provided, however, that any excess shall be transferred to the Trustee for application in accordance with the Indenture. The NIDMA will provide prior written notice to the Township of any legal proceedings instituted by the NIDMA for the collection of any Special Assessment.

In the event that any Parcel which has been offered for sale for nonpayment of a

full or legally defeased in accordance with the Indenture.

Upon the expiration of the term of this Agreement, NIDMA will cause the imposition and collection of the Special Assessments to be terminated in compliance with the provisions of the Act and the Assessment Methodology and will promptly record and deliver to each Parcel owner a recordable document (or provide for the recording of such document) evidencing the termination of the imposition and collection of the Special Assessments, all in accordance with the provisions of the Assessment Methodology.

**Section 9. Annual Audit; Annual Report.** The NIDMA will, within one-hundred and twenty (120) days following the end of each fiscal year, submit an audit of all of its and the District's income and expenditures to the Township and the Pennsylvania Department of Community and Economic Development ("DCED"). Annually, in conjunction with the submission of the audit to DCED, the NIDMA will submit a copy of the report prepared by the NID Administrator, which includes financial and programmatic information and a summary of the audit, to the Township Board of Supervisors of the Township, to QGA, the Trustee and to all assessed Parcel owners located in the District.

**Section 10. Administrative Expenses.** The NIDMA will periodically prepare invoices detailing the NIDMA Administrative Expenses and provide such invoices to the NID Administrator (as defined in the Indenture) for submission to the Trustee pursuant to the provisions of the Indenture in order that the NIDMA may be reimbursed for its NIDMA Administrative Expenses. The NIDMA will also periodically request from the Township invoices for Township Administrative Expenses and submit such invoices to the NID Administrator for submission to the Trustee in order that the Township may be reimbursed for its Township Administrative Expenses. The NIDMA will coordinate with the NID Administrator to provide the information required by the NID Administrator and within the control of the NIDMA to permit the NID Administrator to satisfy its obligations under Sections 6.15 and 4.03(c) of the Indenture.

**Section 11. Amendments.** Subject to the requirements of the Act, the parties may by written amendment to this Agreement modify any clauses or provisions of this Agreement to further the purposes of the NID Plan or any amendments thereto prepared for the District; provided, however, that (i) written notice of such proposed amendment is provided to the Trustee and QGA, (ii) no amendments to this Agreement that result in a reduction in the amount of Special Assessments available to pay amounts due with respect to the Bonds and any Additional Bonds may be made without the prior written consent of QGA and the Trustee, and (iii) if such amendment would, in the reasonable judgment of the Trustee, upon receipt of an opinion of counsel obtained by the Trustee in accordance with the terms of the Indenture, impair the security for the Bonds and any Additional Bonds, the prior written consent of the Trustee will be required. The parties hereto acknowledge that the Trustee is serving on behalf of the holders of the Bonds and its ability to act is constrained by and subject to the terms of the Indenture, including, *inter alia*, in the discretion of the Trustee, obtaining the approval of any proposed action by the holders of the Bonds, subject to and pursuant to the terms of the Indenture.

Without limiting the foregoing, before the parties may cancel, modify, change or supplement this Agreement, the parties must review that certain Funding Agreement of even date herewith among the Township, LifeQuest, the NIDMA, QGA and the Trustee (the "**Funding Agreement**") to determine whether the Funding Agreement must also be canceled

of this Agreement is determined by a court of competent jurisdiction to be invalid and unenforceable, such determination will not affect the validity or effect of the remaining provisions hereof.

**Section 15. Counterparts.** This Agreement may be signed in any number of counterpart copies and by the parties hereto on separate counterparts, but all such copies will constitute one and the same instrument.

**Section 16. Governing Law.** This agreement is to be governed by and construed under the laws of the Commonwealth of Pennsylvania.

(The remainder of this page intentionally left blank.)