



**LANCASTER COUNTY CONSERVATION DISTRICT
MONTHLY BOARD MEETING AGENDA**

Wednesday, January 4, 2023

Lancaster Farm & Home Center

Zoom Info: <https://zoom.us/j/91731607863>

Business Meeting 7:30 PM

Timer

Page #

7:40 I. *Reorganization of the Board 1

9:00 V. Reports & Information

2. Conservation Foundation Report – CWP/LCCD Update – Thompson (attachment) 1

***Action Required**

Item I

This action is being tabled until the February meeting in order for the nominating committee time to secure additional commitments. All current leadership positions will remain in place until approved in February.

*Action Required

Item V.2

Conservation Foundation Report – Creating a Limited Liability Company, LLC

For the last several months, there have been discussions and meetings occurring between the staff and leadership of the Conservation Foundation and the Clean Water Partners to create a Limited Liability Company for the Partners. There was a meeting today between the leadership of the three organizations, LCCD, CFLC, and CWP, to again review the details of creating the LLC. The attached documents are provided for BOD review and discussion at the BOD meeting, but action is not expected for approval until the February meeting.

What the LLC Process Means

	<u>Current</u>	<u>Subsidiary LLC of the Foundation</u>
What are we?	A program within the Conservation Foundation, no formal standing or structure	<i>Subsidiary LLC; The LLC will be a “disregarded entity,” such that it would be disregarded as an entity separate from the Foundation and treated as a branch or division of Foundation for federal tax purposes, although for state law purposes, the LLC would be a separate and distinct legal entity.</i>
Can apply for grants	Conservation Foundation only	Both independently
What is provided by the District?	Info in Chris and Allyson’s head	Roles and responsibilities outlined in a services agreement and contract for both parties
Governance structure of the Partners	Guiding Principles (minimal)	Board of Trustees & Managers, Advisory Committees; operating agreement
Audit, 990, contributions, etc	Conservation Foundation, managed by District Finance Manager	Conservation Foundation, managed by District Finance Manager

Next Steps - Working session with Dan, Chris, John Cox, Allyson, and take results to both boards for discussion; determine how future disagreements will be resolved; create a policy document with formal docs



DRAFT – 12/2/2022

LIMITED LIABILITY COMPANY AGREEMENT

OF

LANCASTER CLEAN WATER PARTNERS LLC

This Limited Liability Company Agreement (the “Agreement”) of the LANCASTER CLEAN WATER PARTNERS LLC (the “LLC”), is entered into as of this ____ day of _____ 2022, by and between the CONSERVATION FOUNDATION OF LANCASTER COUNTY (the “Foundation”), the sole member of the LLC, and the LANCASTER CLEAN WATER PARTNERS (the “Partners”).

ARTICLE 1

BACKGROUND

A. The Foundation is a Pennsylvania nonprofit corporation classified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provisions of any subsequent tax law of the United States (the “Code”), and as a public charity under Section 509(a) of the Code.

B. The mission of the Foundation is to strive 'to promote, support, and sustain the stewardship, education, and conservation activities undertaken by the Lancaster County Conservation District.'

C. The Foundation, as an organization described in Section 501(c)(3) of the Code, receives support for its programs through grants funded by private, local, state, and federal sources.

D. The Partners identify as a conservation organization that seeks to rapidly accelerate and expand the ability of community partner organizations to restore and sustain healthy County

waterways.

E. The Foundation has determined that to further and benefit of its own mission, purposes and organizational development, the Partners should obtain its own separate and distinct legal status as a Pennsylvania limited liability company, with the Foundation as its sole member pursuant to the terms and conditions of this Agreement, so that the Partners, as a limited liability company, may apply for grants, raise funds, enter into contracts, and engage in operations and activities that are legally separate and apart from the Foundation.

ARTICLE 2

FORMATION AND NAME; MEMBER; PURPOSE; TERM

A. The Foundation has formed a limited liability company pursuant to the Limited Liability Company Law of the Commonwealth of Pennsylvania (the “PA LLC Law”) by causing a Certificate of Organization to be prepared, executed and filed with the Secretary of the Commonwealth of Pennsylvania.

B. The name of the limited liability company is the “LANCASTER CLEAN WATER PARTNERS LLC” and all activities and operations of the limited liability company shall be conducted under such name.

C. As indicated in the Certificate of Organization of the LLC, for purposes of the PA LLC Law, the Foundation is the sole member of the LLC and no other member for purposes of the PA LLC Law shall be admitted to the LLC except as provided by the Agreement.

D. The LLC shall be organized and operated solely and exclusively for charitable, educational and scientific purposes in accordance with Section 501(c)(3) of the Code.

E. The nature of the activities to be conducted, and the purposes to be promoted and carried out by the LLC, shall be those that are consistent with the tax-exempt purposes of the

Foundation within the purview of Section 501(c)(3) of the Code and consistent with the requirements of Section 501(c)(3) of the Code.

F. The term of the LLC began upon the filing of the Certificate of Organization and shall continue until dissolved pursuant to ARTICLE 15 of this Agreement.

G. Notwithstanding any other provision of this Agreement, the Foundation may be the sole member of another limited liability company provided, however, that such limited liability company does not have the same or similar purposes and mission of the LLC as set forth in ARTICLE 3 of this Agreement.

ARTICLE 3

PURPOSES AND MISSION OF LLC

A. Purposes. The purposes of the LLC are to work with community partners to collaborate on clean water projects and establish and follow strategies (the “Common Agenda”) that facilitate collective efforts to make Lancaster County streams clean and clear by 2040. The LLC will focus on facilitating collaboration between the partners and its success will be measured through collectively pursuing: (i) the Common Agenda, (ii) shared measurement systems; (iii) mutually reinforcing activities; (iv) continuous communication; and (v) a strong “backbone” to orchestrate the overall effort.

B. Mission. The mission of the LLC is to coordinate efforts and rapidly accelerate and expand the impact of its partners working to improve the health and viability of local streams in Lancaster County.

C. Modification of Purposes and Mission. The Board of Trustees of the LLC shall, in its sole judgment, have the power to modify the purposes and mission of the LLC under this ARTICLE 3 to the extent it determines that such purposes and mission have become unnecessary,

incapable of fulfillment, or inconsistent with the charitable needs of the community or area served by the LLC; provided, however, that the LLC shall at all times and under all circumstances be organized and operated solely and exclusively for charitable, scientific and educational purposes in accordance with Section 501(c)(3) of the Code that are consistent with the tax-exempt purposes of the Foundation.

ARTICLE 4

DISTRIBUTIONS, CAPITAL; PAYMENTS TO FOUNDATION

A. All earnings, cash flow and all other assets of the LLC shall be retained by the LLC to be used solely and exclusively in furtherance of purposes and mission of the LLC in accordance with this Agreement, except such distributions, if any, as the Board of Trustees shall, in its sole and absolute discretion, determine should be made from the LLC to the Foundation.

B. The Foundation shall not be required to contribute any capital or any other amounts to the LLC, and the Foundation shall not have any liability for any debt, obligation or liability of any kind of the LLC or for the acts of any Trustee of the Board of Trustees, any manager on the Board of Managers, officer, agent, staff member, or employee of the LLC.

ARTICLE 5

BOARD OF TRUSTEES

A. Board of Trustees. The Board of Trustees shall be responsible for the development of the purposes, programs and activities of the LLC, the approval of the annual operational plan and budget of the LLC developed by the Board of Managers, and the adoption of such policies and

procedures for the operation of the LLC as the Board of Trustees may, from time to time, deem necessary and appropriate.

B. Qualification of Trustees. The Trustees comprising the Board of Trustees shall be representatives of community partner groups which shall include, but not be limited to, community organizations, government, the scientific community, faith based and philanthropic groups, economic development efforts, educational institutions, environmental groups, and businesses.

C. Number of Trustees. A minimum of nine (9) and a maximum of twenty-one (21) shall serve at any time as Trustees.

D. Term of Trustee. The term of office of a Trustee shall be three (3) years. Terms shall be staggered to ensure the continuity of the Board of Trustees. All terms shall commence with the first annual meeting of the Board of Trustees. No Trustee may serve for more than three (3) consecutive full three (3) year terms. Any Trustee may be reelected after a one (1) year absence. Upon the end of the term of a Trustee, such Trustee's successor and term shall be determined by a formal vote of the Board of Trustees at a regularly scheduled or special meeting of the Board of Trustees.

E. Regular Meetings of Board of Trustees. The Board of Trustees shall hold a minimum of four (4) regular meetings per calendar year at such time and place as designated by the Chairperson, upon reasonable notice to all Members. Proxy voting by Members is not permitted at Regular Meetings. The Board of Trustees meetings may be scheduled and/or cancelled at the sole and absolute discretion of the Chairperson.

F. Vacancies on the Board of Trustees. Vacancies of Trustees on the Board of Trustees may be filled by a majority vote of the remaining Trustees on the Board of Trustees. Each person

so elected shall be a Trustees for the remainder of the unexpired term for which he/she was elected after which he/she may serve three (3) consecutive full three (3) year terms subject to the provisions of this ARTICLE 6, Section D, above. Vacancies shall be filled at such time as determined by the Board of Trustees.

G. Special Meetings of Board of Trustees. Special Meetings of the Board of Trustees may be called by the Chairperson or by two or more Trustees, upon notice to all Trustees that is reasonable under the circumstances. Time sensitive decisions may be voted upon at such Special Meetings. Under these circumstances, a vote shall be permitted by written absentee ballot, e-mail, or other electronic media.

H. Chairperson of Board of Trustees. The Board of Trustees shall by a majority vote elect a Chairperson of the Board of Trustees.

I. Quorum. A majority of the Trustees of the Board of Trustees attending the Board of Trustee meeting shall be necessary to constitute a quorum for the transaction of business at all meetings. The acts of a majority of the Trustees present and entitled to vote at a meeting at which a quorum is present shall be the acts of the Board of Trustees.

J. Participation in Meetings by Electronic Media. One or more Trustees of the Board of Trustees may participate in any meeting through the use of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other and be heard. Participation in a meeting in such a manner constitutes presence in person at such meeting.

K. Minutes. The Board of Trustees shall keep written minutes which include a record of votes on all motions. Minutes of all meetings shall be distributed to members of the Board of

Trustees before the next Regular Meeting. The secretary, or in his or her absence, a person appointed by the Chair, shall act as secretary.

L. Meeting Attendance. Any Member who, without prior approval of the Board of Trustees, fails to attend a total of three (3) consecutive meetings of the Board of Trustees during any year of his or her term shall be presumed to have offered his or her resignation, which may be accepted at the sole and absolute discretion of the Board of Trustees.

M. Removal of Trustees. Any Trustee may be removed by the Board of Trustees whenever in its judgment the interests of the LLC will be best served.

ARTICLE 6

BOARD OF MANAGERS

A. Responsibility of Board of Managers. The board of managers of the LLC (individually a “Manager” and collectively the “Board of Managers”) shall be responsible for managing the day-to-day operations of the LLC, the development of the annual operation plan and budget of the LLC, and other duties as determined by the Board of Trustees.

B. Managers Must Be Members of the Board of Trustees. The Board of Managers must be comprised only of Trustees on the Board of Trustees. The Board of Managers shall consist of (i) Board of Trustees Chairperson; (ii) Board of Trustees Vice Chairperson; and (iii) no more than four (4) and no less than three (3) Managers at large. Other than those Trustees of the Board of Trustees serving as a Manager in an *ex officio* capacity, the Managers shall be chosen by a formal Board of Trustees vote at a regularly scheduled or special Board of Trustees. Officers shall have such duties, responsibilities and authority in the governance of the LLC as may be determined by the Board of Trustees.

C. Number and Appointment of Managers. There shall be up to six members of the Board of Managers, who shall be appointed by the Board of Trustees.

D. Election of Managers. The Board of Trustees shall elect the Managers from among the Trustees of the Board of Trustees. The Board of Trustees shall specify a Chairperson of the Board of Managers, who alone shall be authorized to execute documents on behalf of the LLC unless, subject to the approval of the Board of Trustees, such Chairperson delegates in writing another Manager or member of the staff of the LLC, subject to such terms and conditions as the Chairperson shall specify, to execute documents on behalf of the LLC. Nominations of Managers shall be made from the floor at the first meeting of the Board of Trustees each year.

E. Terms of Managers. The term of office for all Managers shall be two (2) years. Terms shall be staggered to ensure continuity on the Board of Managers. All terms shall commence with the first meeting of the Board of Managers each year.

F. Removal of Managers. Any Manager may be removed by the Board of Trustees whenever in its sole and absolute discretion, the interests of the LLC will be best served.

G. Fiduciary Obligations. All Managers shall be apprised of the fiduciary obligation of their position and shall be required to annually execute the LLC's conflict of interest statement.

ARTICLE 7

MEETINGS OF BOARD OF MANAGERS

A. Meetings. The Board of Managers may hold its meetings at such times and places as designated by the Chairperson of the Board of Managers, upon reasonable notice to all of the Managers.

B. Regular Meetings. The Board of Managers shall hold its regular meetings at such place and time as shall be determined by the Chairperson of the Board of Managers. The Board of Managers shall transact such business as may properly be brought before its meetings.

C. Special Meetings. The Chairperson of the Board of Managers or any two or more Managers may call special meetings of the Board of Managers upon notice to all Members that is reasonable under the circumstances. Time sensitive decisions may be voted upon at such Special Meetings. Under these circumstances, a vote shall be permitted by written absentee ballot, e-mail, or other electronic media.

D. Quorum. A majority of Managers shall constitute a quorum for the transaction of business. The acts of a majority of the Managers present and entitled to vote at a meeting at which a quorum is present shall be the acts of the Board of Managers.

E. Participation in Meetings by Electronic Media. One or more Managers may participate in a meeting of the Board of Managers or a Committee thereof by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting in such a manner constitutes presence in person at such meeting.

F. Presiding Manager of Meetings. Every meeting of the Board of Managers shall be presided over by the Chair, or in the absence of the Chair, a person appointed by the Chair, and if no person is appointed by the Chair, the manager appointed by the majority of the Board of Directors in attendance shall preside over the meeting.

G. Quorum. Any action which may be taken at a meeting of the Board of Managers may be taken without a meeting, if a consent or consents in writing, setting forth the action so taken, shall be signed by all Managers and filed with Secretary of the LLC.

H. Minutes. The Board of Managers shall keep written minutes which include a record of votes on all motions. Minutes of all meetings shall be distributed to the Board of Trustees and the Board of Managers before the next Regular Meeting.

ARTICLE 8

MANAGEMENT: RIGHTS, POWERS, AND DUTIES

A. Except as otherwise provided in this Agreement or otherwise required by the PA LLC Law, the LLC shall be managed by the Board of Managers as described hereinafter, subject to any rights or powers that may be exercised by the Board of Trustees as provided herein.

B. Any contract, agreement, grant request, grant agreement or similar agreement pertaining to the LLC shall indicate that the LLC is a party to such agreement and shall be executed on behalf of the LLC, as an independent legal entity that is separate and distinct from the Foundation.

C. Notwithstanding anything to the contrary contained in this Agreement, in taking any actions or making any decisions on behalf of the LLC, each Manager shall at all times act in all material respects in conformity with the terms of this Agreement and the Certificate of Organization.

D. The Board of Managers shall have the authority to manage the LLC in the ordinary course of business so as to conduct the ongoing operations of the LLC in an effective and timely manner.

E. The Board of Managers shall also have such additional authority that is delegated to it from time-to-time in writing by the Board of Trustees as necessary to assure the strategic, fiscal and policy integrity of the Partners.

F. The Board of Managers shall act collectively as a board and by resolutions duly adopted.

G. Notwithstanding anything to the contrary in this Agreement or under PA LLC Law, the Board of Managers shall not undertake, directly or indirectly, any of the following without the prior written approval of the Foundation:

1. engage in business in any jurisdiction which does not provide for the registration of limited liability companies;
2. amend the Certificate of Organization or this Agreement;
3. admit any new member of the LLC;
4. issue any new membership interest or other equity interest in the LLC or any subscription right, option, warrant or other security or instrument exercisable or exchangeable for or convertible into any such membership or other equity interest;
5. take, or permit to be taken, any action that, in the Foundation's reasonable judgment, might jeopardize or threaten to jeopardize the Foundation's tax-exempt status;

6. purchase, sell, pledge, lease or otherwise transfer assets of the LLC other than transactions occurring in the ordinary course of business;

7. authorize a Manager or other person to do any act on behalf of the LLC that contravenes the Certificate of Organization, this Agreement or PA LLC Law; and

8. enter into any division, interest exchange, conversion, merger or consolidation transaction involving the LLC.

H. Subject to the approval of the Board of Trustees, the Board of Managers shall from time-to-time designate other officers, staff member, and committees to be appointed or created and, where appropriate, fix the compensation of same.

ARTICLE 9

COMMITTEES

A. Committees. The Board of Trustees may create standing or ad hoc committees (“Committees”) as needed, which may include one or more advisory committees, each of which will consist of one or more individuals who may, but need not, be members of the Board of Trustees or Board of Managers.

B. Designation of Committee Members by Board of Trustees. The Board of Trustees shall designate and appoint one or more members of Committees and delegate such functions to the Committees as the Board of Trustees shall determine. However, the creation of Committees will not operate to relieve the Board of Trustees or Board of Managers of any responsibility imposed upon under law or under this Agreement.

ARTICLE 10

DIRECTOR

A. Hiring and Management. A Director (“Director”) may be appointed by the Board of Trustees, whose specific title shall be determined by the Board of Managers, and his or her work shall be managed by the Board of Managers. The Board of Managers will contract with the Lancaster County Conservation District to employ the Director and any other employees, and contractors, fund the positions, and report to the Board of Trustees on employment and funding issues.

B. Duties of the Director. The Director’s primary functions shall be to (i) implement and execute the policies, goals, strategic plan and Common Agenda as set forth and approved by the Board of Trustees; (ii) develop and enforce policies and procedures to implement Board of Trustees actions; and (iii) hire and discharge all other employees, and contractors serving the LLC in conformance with applicable laws and the LLC’s policies and procedures.

ARTICLE 11

EXCULPATION AND INDEMNIFICATION

A. For purposes of this Agreement, (i) “Covered Persons” means the Foundation and any Affiliate thereof, any individuals serving on the Board of Trustees or Board of Managers and any Affiliate thereof, and any officer, director, trustee, staff member, employee, and leased employee of the Foundation and any Affiliate thereof, and any officer, staff member, employee, leased employee or expressly authorized agent of the LLC or any Affiliate thereof; (ii) “Affiliate” means, with respect to a specified person, any other person or entity that directly or indirectly controls, is controlled by, or is under common control with such specified person; and (iii) “control” means possession, directly or indirectly, of the power to direct or cause the direction of

the management and policies of an entity, whether through ownership of voting securities or otherwise.

B. The Foundation, whether acting in the capacity as a member of the LLC or in any other capacity, shall not be liable to the LLC for any loss, liability, damage, claim or legal fees incurred by reason of any act or omission performed or omitted by the Foundation in good faith, and no other Covered Person shall be liable to the LLC for any loss, liability, damage or claim incurred by reason of any act or omission performed or omitted by the Covered Person in good faith and in a manner reasonably believed to be within the scope of authority conferred on the Covered Person by this Agreement, except that a Covered Person shall be liable for any loss, liability, damage or claim incurred by reason of his or her gross negligence, fraud or willful misconduct or his or her willful and deliberate failure to comply with the terms of this Agreement or the Certificate of Organization.

C. A Covered Person shall be fully protected in relying in good faith upon the records of the LLC and upon the information, opinions, reports or statements presented to the LLC by any person or entity as to matters the Covered Person reasonably believes are within the professional or expert competence of that person or entity, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits, losses or any other pertinent facts.

D. To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the LLC or to the Foundation, such Covered Person shall not be liable to the LLC for his or her good faith reliance on the provisions of this Agreement, to the extent permitted by applicable law. To the extent permitted by law, the provisions of this

Agreement, to the extent that they restrict or eliminate the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the Foundation to replace any other duties and liabilities of the Covered Person.

E. All provisions of this ARTICLE 11 shall apply to any former member of the Board of Trustees or Board of Managers of the LLC for all actions or omissions taken while that person was a member of the Board of Trustees or Board of Managers the of the LLC to the same extent as if that person were still serving on the Board of Trustees or Board of Managers the of the LLC.

F. To the fullest extent permitted by applicable law, the Foundation or any Affiliate thereof (irrespective of the capacity in which the Foundation or Affiliate acts) shall be entitled to indemnification from the LLC for any loss, liability, damage, claim or cost (including legal fees) incurred by the Foundation or Affiliate for any claim against the Foundation or Affiliate by reason of any act or omission (whether or not constituting negligence) performed or omitted, and any other Covered Person shall be entitled to indemnification from the LLC for any loss, liability, damage or claim incurred by such Covered Person, by reason of any act or omission (whether or not constituting negligence) performed or omitted by such Covered Person in good faith and in a manner reasonably believed to be within the scope of authority conferred on such Covered Person by this Agreement, except that no Covered Person shall be entitled to be indemnified in respect of any loss, liability, damage or claim asserted against or incurred by that Covered Person by reason of his or her gross negligence, recklessness, fraud or willful misconduct or his or her failure to comply with the terms of this Agreement or the Certificate of Organization; provided, however, that any indemnity under this ARTICLE 11 shall be provided out of and to the extent of LLC assets (including insurance) only, and no Covered Person shall have any personal liability on account thereof.

G. To the fullest extent permitted by applicable law, expenses (including legal fees) incurred by a Covered Person in defending any claim, demand, action, suit or proceeding shall (in the case of the Foundation, any Affiliate of the Foundation, Trustee of the Board of Trustees; and Manger on the Board Managers) and may in the sole and absolute discretion of the Board of Trustees (in the case of any other Covered Person) be advanced by the LLC from time to time (and with respect to the Foundation, Manager on the Board of Managers, or Trustee of the Board of Trustees, promptly following the Foundation's, Manager's, or Member's request) before the final disposition of the claim, demand, action, suit or proceeding upon receipt by the LLC of an undertaking by or on behalf of the Covered Person to repay that amount if it shall be determined by a court that the Covered Person is not entitled to be indemnified under this ARTICLE 11.

H. The LLC may purchase and maintain insurance or make other financial arrangements on behalf of any Covered Person for any liability asserted against that person and liability and expenses incurred by him or her in the capacity as a Covered Person or arising out of his or her status as such.

ARTICLE 12

TRANSFER OF MEMBERSHIP INTEREST

A. Transfer of Membership Interest. The Foundation shall have the right to transfer its membership interest in the LLC if the Foundation determines, in its sole discretion, that its ownership of the LLC is no longer in the best interests of the Foundation. In such event, the Foundation shall give prior written notice to the Board of Trustees of the LLC of its intention to transfer its membership interest not later than 120 days prior to such proposed transfer. The Foundation may transfer its membership interest only to a nonprofit entity described in Section

501(c)(3) of the Code and as a public charity under Sections 509(a) of the Code (a “Successor”). The Foundation shall consult with the Board of Trustees regarding any proposed transfer of its membership interest and shall take into consideration, but shall not be bound by, any advice or recommendations of the Board of Trustees. Any transferee of the membership interest in the LLC shall become subject to the terms of, and execute a joinder to, this Agreement as a condition to becoming a member of the LLC and the transferor of the membership interest in the LLC shall thereupon no longer be a member of the LLC.

B. Option of the Partners. Notwithstanding anything to the contrary under this ARTICLE 12, prior to the Foundation making any transfer of its membership interest in the LLC under Paragraph A of this ARTICLE 12, the Partners shall have the option to create a new nonprofit organization that qualifies as a Successor and, if it does so, the Foundation shall transfer its membership interest in the LLC to such nonprofit organization upon it qualifying as a Successor. The Partners must notify the Foundation in writing of its intention to exercise its option under this Paragraph B of this ARTICLE 12 within 90 days after it receives the required written notice under Paragraph A of this ARTICLE 12 of the Foundation’s intention to transfer its membership interest in the LLC. If the Partners do not exercise such option, then the Member may transfer its membership interest in the LLC to a Successor it shall designate.

ARTICLE 13

MATTERS PERTAINING TO FOUNDATION

A. In accordance with Section 301.7701-2(c)(i) of the United States Treasury Regulations, the LLC, as a single member limited liability company, shall be disregarded as an entity separate from its Foundation for federal tax purposes only.

B. As a result of the LLC being disregarded as an entity separate from the Foundation in accordance with Section 301.7701-2(c)(i) of the United States Treasury Regulations, or the corresponding provisions of any subsequent tax law of the United States, the Foundation shall include, as its own, information pertaining to the finances and operations of the LLC in its annual information return filed with the Internal Revenue Service, and the LLC shall not file a separate annual information return with the Internal Revenue Service unless otherwise required by law.

C. In accordance with Internal Revenue Service Notice 2012-52, 2012-35 IRB 317, contributions to the LLC shall be treated as contributions to the Foundation and, accordingly, the Foundation shall comply with the substantiation and disclosure requirements with respect to contributions to the LLC as required under Sections 170(f) and 6115 of the Code.

D. The LLC shall provide information as may be necessary for the Foundation to complete its annual information return filed with the Internal Revenue Service or to make any other filings required to be filed by the Foundation with any governmental authority, person or entity, sufficiently in advance of the due date for any such filing in order for the Foundation to timely make such filing.

E. The Foundation and the LLC shall cooperate fully and in a timely manner in connection with the LLC achieving its purposes and mission and the related activities of the LLC in connection with achieving such purposes and mission.

ARTICLE 14

ACCOUNTS OF THE LLC

All funds of the LLC shall be deposited in such bank, brokerage or investment accounts as the Board of Trustees shall approve. All such accounts shall be in the LLC's name and managed as directed by the Board of Managers. The Foundation shall receive duplicate copies of all statements for all funds of the LLC held in a bank, brokerage or investment account directly from such bank, broker or investment company.

ARTICLE 15

DISSOLUTION

A. It is intended that the LLC shall continue until it is dissolved pursuant to the terms of this Agreement.

B. The LLC shall be dissolved upon a unanimous vote of the Board of Trustees subject, however, to the written approval of the Foundation, which determines that the mission of the LLC under this Agreement has been fulfilled and that no funds are required to be continued to be held by the LLC. In the event the LLC is dissolved in accordance with the preceding sentence, the assets of the LLC shall, in all events and under all circumstances, be distributed only in the manner provided for under Paragraph C of this ARTICLE 15.

C. Upon the dissolution or termination of the LLC, after paying or making provision for the payment of all of the liabilities of the LLC, all the assets of the LLC shall be distributed to such organization or organizations organized and operated exclusively for charitable, educational, religious or scientific purposes as shall at the time qualify as an exempt organization

or organizations under Section 501(c)(3) of the Code as the Board of Trustees shall determine, subject to, and in accordance with, all applicable requirements otherwise imposed under the Code, relating to the dissolution or termination of the LLC, and subject to the approval of the Foundation.

ARTICLE 16

GENERAL PROVISIONS

A. Any notice, demand, consent, election, offer, approval, request, or other communication (collectively, a “notice”) required or permitted under this Agreement must be in writing and either delivered personally, by email, or sent by certified or registered mail, postage prepaid, return receipt requested, or by a nationally recognized overnight courier service, or by email.

B. The LLC shall keep books and records at its principal place of business, which shall set forth an accurate account of all transactions of the LLC and which shall enable the LLC to comply with the requirement that it segregate and account for its assets and liabilities separately from those of the Foundation.

C. References herein to the “Foundation” shall mean the “CONSERVATION FOUNDATION OF LANCASTER,” the sole members of the LLC.

D. This Agreement may not be amended without the written consent of not less than two-thirds of the Board of Trustees and the written approval of the Foundation.

E. This Agreement shall be governed by the law of the Commonwealth of Pennsylvania, without giving effect to the choice of law provisions thereof.

F. Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity or legality of the remainder of this Agreement.

G. Section and other headings contained in this Agreement are for reference purposes only and are not intended to describe, interpret, define, or limit the scope, extent, or intent of this Agreement or any provision hereof.

H. This Agreement is binding upon, and inures to the benefit of, the parties hereto and their respective heirs, executors, administrators, personal and legal representatives, successors, and permitted assigns.

I. The undersigned persons are duly authorized to execute this Agreement.

J. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed, or caused this Agreement to be executed and delivered, as of the date set forth hereinabove.

CONSERVATION FOUNDATION OF LANCASTER

BY: _____

NAME: _____

TITLE: PRESIDENT

LANCASTER CLEAN WATER PARTNERS

BY: _____

NAME: _____

TITLE: CHAIR