

**LIMITED LIABILITY COMPANY OPERATING AGREEMENT OF  
THE COMMON PLACE SCHOLARSHIP #1 LLC**

THIS LIMITED LIABILITY COMPANY OPERATING AGREEMENT of The Common Place Scholarship #1 LLC, a Pennsylvania limited liability company (the "Company"), is made and entered into as of \_\_\_\_\_, 2018 (the "Effective Date") by and among the Company and those Persons who execute and deliver a joinder to this Agreement and are admitted as Members of the Company.

**BACKGROUND**

A. The Company was formed pursuant to the provisions of the Act (as defined below) upon the filing of the Certificate (defined below) on May 24, 2016.

B. The Company is being organized for the purpose of affording to Members the opportunity to make contributions to the Pennsylvania Tax Credit Program in order to enjoy the Educational Improvement Tax Credit (EITC) and/or the Opportunity Scholarship Tax Credit (OSTC) afforded by the Commonwealth of Pennsylvania. The Company will apply to make contributions to those programs on the basis of a 2 year commitment so as to afford to the Company the opportunity to obtain a Pennsylvania income tax credit equal to 90% of the aggregate contribution amount.

C. One hundred percent (100%) of the proceeds from the sale of Membership Interests shall be used as a donation to an educational institution that is registered and qualifies as a charity under Section 501(c)(3) of the Internal Revenue Code and is included on the Pennsylvania Department of Community and Economic Development approved organizations list for EITC and/or OSTC.

D. The only benefit the Members of the Company will receive in return for their investment is an opportunity to apply for and receive distributions of EITC and/or OSTC that can be used on the Members' personal income tax returns.

E. The Members desire to enter into this Agreement to set forth how the business and affairs of the Company are to be managed.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

**ARTICLE I - DEFINITIONS; CONSTRUCTION**

1.1. Definitions. When used in this Agreement, unless the context otherwise requires, the following terms shall have the meanings set forth below (all terms used in this Agreement that are not defined in this Section 1.1 shall have the meanings set forth elsewhere in this Agreement):

"Act" means the Pennsylvania Limited Liability Company Act, 15 Pa.C.S. §§ 8901, *et. seq.*, as the same may be amended from time to time.

"Agreement" means this Limited Liability Company Operating Agreement, as originally executed and as amended and/or restated from time to time.

"Capital Account" means with respect to any Member the capital account that the Company establishes and maintains for such Member pursuant to Section 3.3.

"Capital Contribution" means a contribution in cash to the capital of the Company.

"Certificate" means the Certificate of Organization of the Company originally filed with the Department of State of the Commonwealth of Pennsylvania, as amended and/or restated from time to time.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, the provisions of succeeding law, and to the extent applicable, the Regulations.

"Company" means The Common Place Scholarship #1 LLC, a Pennsylvania limited liability company.

"Contributions" has the meaning given in Section 2.5.

"Defaulting Member" has the meaning given in Section 3.1.3(ii).

"Eligible Substitute Member" means a person or entity who: (A) satisfies the eligibility requirements to be a Member; (B) is eligible and willing to make a Capital Contribution to the Company in an amount sufficient to satisfy the obligation of an existing Member to make its second Capital Contribution to the Company (or, if permitted by the Manager, a portion of such obligation), and (C) is an existing Member or is willing to complete and execute a Joinder in order to become a Member.

"Joinder" means a joinder to this Agreement in the form of Exhibit A by means of which the party executing the Joinder joins and becomes a party to this Agreement as a Member, and the Manager accepts the admission of that party as a Member.

"Manager" means Randy Tarpey.

"Member" means each Person who has executed and delivered to the Manager a Joinder and who has been admitted as a Member of the Company in accordance with this Agreement, but excluding any such Person who has withdrawn, been removed as a Member in accordance with this Agreement or (if other than an individual) dissolved.

"Membership Interest" means a Member's entire interest in the Company.

"Percentage Interest" means, for each Member, the amount determined pursuant to Section 3.1.5.

"Person" means any individual, general partnership, limited partnership, limited liability company, limited liability partnership, corporation, trust, estate, real estate investment trust, association, or other entity.

1.2. Rules of Construction. The following rules of construction shall apply to this Agreement:

1.2.1 The titles of the Articles and Sections herein have been inserted as a matter of convenience of reference only and shall not control or affect the meaning or construction of any of the terms or provisions hereof.

1.2.2 All personal pronouns used in this Agreement, whether used in the masculine, feminine or neuter gender, shall include all other genders, the singular shall include the plural, and vice versa, as the context may require.

1.2.3 The term "including" shall in all cases be interpreted as "including, but not limited to."

1.2.4 Each provision of this Agreement shall be considered severable from the rest, and if any provision of this Agreement or its application to any person or circumstances shall be held invalid and contrary to any existing or future law or unenforceable to any extent, the remainder of this Agreement and the application of any other provision to any person or circumstances shall not be affected thereby and shall be interpreted and enforced to the greatest extent permitted by law so as to give effect to the original intent of the parties hereto.

1.2.5 Unless the context clearly requires otherwise, words such as "hereof," "herein," "hereunder" and similar terms shall refer to this entire Agreement (including exhibits hereto) and not to a particular Section or provision, references to particular "Sections" shall refer to the Sections of this Agreement, and this Agreement shall not be construed against the drafter of this Agreement.

1.2.6 The "Background" shall be used by the Manager and the Members to govern and control the purposes of this Company in order to be exempt from registration under Section 202(e) of the Pennsylvania Securities Act of 1972.

## **ARTICLE II- ORGANIZATIONAL MATTERS**

2.1. Formation. Pursuant to the Act, the Company has been formed as a limited liability company under the laws of the Commonwealth of Pennsylvania through the filing of the Certificate with the Pennsylvania Department of State. The rights and liabilities of the Members shall be determined pursuant to the Act and this Agreement. To the extent that the rights or obligations of any Member are different by reason of any provision of this

Agreement than they would be in the absence of such provision, this Agreement shall, to the extent permitted by the Act, control.

2.2. Name. The name of the Company shall be "The Common Place Scholarship #1 LLC." The business and affairs of the Company may be conducted under that name or, upon compliance with applicable laws, any other name that the Manager may deem appropriate or advisable. The Members or other authorized officer shall file any fictitious name certificates and similar filings, and any amendments thereto, that may be appropriate or advisable.

2.3. Term. The existence of the Company commenced on the date of the filing of the Certificate with the Pennsylvania Department of State, and shall continue until the Company is dissolved in accordance with the provisions of this Agreement.

2.4. Principal Place of Business; Other Offices. The principal place of business of the Company shall be at 227 Jefferson Avenue, Tyrone, Pennsylvania 16686 or at such other place as the Manager may designate from time to time, which need not be in the Commonwealth of Pennsylvania. The Company may have such other offices as the Manager may designate from time to time.

### **ARTICLE III - MEMBERS; CAPITAL ACCOUNTS; MEMBERSHIP INTERESTS**

3.1. Admission of Members: Capital Contributions.

3.1.1 Joinders. Each Member has executed and delivered to the Manager a joinder in substantially the form of Exhibit A to this Agreement whereby that Member joined and became a party to this Agreement (that Member's "Joinder"). Each Joinder is effective, and the Member in question is admitted as a Member of the Company, when that Member's Joinder is countersigned by the Manager on behalf of the Company.

3.1.2 Initial Capital Contributions.

(i) Each Member, concurrently with the execution and delivery of its Joinder, has made an initial Capital Contribution to the Company in the amount stated on that Member's Joinder.

(ii) Each Member may, at the time of making its initial Capital Contribution, designate that its Capital Contribution be used to make charitable scholarship donations to benefit children attending one or more specific eligible schools in the Commonwealth of Pennsylvania by completing the questionnaire attached as the last page of the Joinder. When the Company makes its donations to the charity as contemplated under Section 4.3 of this Agreement, the Company will provide to the charity a list of Member-designated schools. If any Member fails at the time of making its initial Capital Contribution that its Capital Contribution be used to benefit one or more specific schools in the Commonwealth of Pennsylvania, then that Member's Capital Contributions will be classified as

"undesigned" in which case the Manager may use it to make charitable scholarship donations to benefit children attending one or more schools in the Commonwealth of Pennsylvania.

### 3.1.3 Second Capital Contribution.

(i) Commitment for Second Capital Contribution. Each Member, by executing and delivering its respective Joinder, agrees to make a second Capital Contribution to the Company in an amount equal to that Member's respective initial Capital Contribution. The second Capital Contributions will be deemed accepted by the Company on such date as the Manager determines the contribution eligible for tax credits.

#### (ii) Consequences of Failure to Make Second Capital Contribution.

(a) Acknowledgement; Defaulting Member. Each Member acknowledges its obligation to make the second Capital Contribution to the Company and recognizes that the state tax credit law requires a two-year donation in order to qualify for a 90% tax credit. Therefore, the failure by any Member to make its second Capital Contribution to the Company when due could cause the Company to be unable to fulfill its commitment to fully fund the scholarship donation for the second year. If the Company fails to make the scholarship donation for the second year, it will result in the loss of tax credits and other adverse consequences to the Company and its Members. A Member who fails to timely make its second Capital Contribution to the Company when due will be a "Defaulting Member".

(b) Right and Duty of Member to Mitigate Risk of Becoming a Defaulting Member. If a Member believes that it may become a Defaulting Member, that Member must use reasonable efforts to cause one or more Eligible Substitute Members to make Capital Contributions to the Company in an amount sufficient to satisfy the obligation of the Member. Upon the execution by those Eligible Substitute Member(s) of their respective Joinder(s) (if they are not already Members) and the making of their Capital Contributions, the Manager shall cause those Eligible Substitute Member(s) to be admitted to the Company, and shall cause an appropriate part of that Member's Membership Interest and any rights that relate to Membership Interest, including tax credits, tax deductions or other tax benefits, to be transferred to those Eligible Substitute Member(s).

(c) Consequence of Becoming a Defaulting Member. If a Member becomes a defaulting Member:

(i) the Manager may in its discretion permit one or more Eligible Substitute Members to make Capital Contributions to the Company in an amount sufficient to make up for the Defaulting Member's failure to make its second Capital Contribution (or such lesser amount that the Manager can

arrange if necessary in its sole discretion), in which case: (A) the Manager will cause the Defaulting Member's Membership Interest in the Company, or any or all rights that relate to Membership Interest, including tax credits, tax deductions or other tax benefits, to be transferred to those Eligible Substitute Members and the Defaulting Member will cease to be a Member of the Company, and (B) the Defaulting Member will continue to be liable to the Company only for its unfulfilled obligation (reduced by the amount of any Capital Contribution that the Manager arranges for others to make in accordance with this clause (i));

(ii) the Manager may in its discretion cause the Company to borrow from one or more third parties an amount equal to the Capital Contribution that the Defaulting Member failed to make, in which case the Defaulting Member will be liable to the Company in an amount equal to the obligation that results from such borrowing, including interest;

(iii) the Defaulting Member must indemnify the Company and the other Members from and against all losses (including any loss of tax credits, tax deductions or other tax benefits) that any of them suffer as a result of that failure by the Defaulting Member to timely make such second Capital Contribution to the Company; and

(iv) the Manager may in its discretion exercise, on behalf of the Company, any other rights or remedies that it may have at law or in equity against any Defaulting Member.

3.1.4 No Obligation to Make Additional Capital Contributions. Except as set forth in Sections 3.1.2 and 3.1.3, no Member will be required to make any additional Capital Contributions or to make loans to the Company, and the Members do not intend that the "deficit restoration obligation" described in Section 1.704-1(b)(2)(ii)(c) of the Treasury Regulations or any successor provision thereto be incorporated into this Agreement.

3.1.5 Percentage Interest. At all times, each Member's Percentage Interest will be equal to a fraction, expressed as a percentage, with the numerator being the aggregate amount of Capital Contributions made by that Member pursuant to Sections 3.1.2 and 3.1.3 and the denominator being the aggregate amount of Capital Contributions made by all Members pursuant to Sections 3.1.2 and 3.1.3. For purposes of this calculation only, the numerator for a Substitute Member shall include (a) the predecessor Member's Capital Contribution plus (b) the predecessor Member's second-year capital commitment (regardless of actual cash contributed).

3.2. Return of Contributions. A Member is not entitled to the return of any part of the Member's Capital Contribution or to be paid interest in respect of the Member's Capital Account or Capital Contribution. An unrepaid Capital Contribution is not a liability of the Company or of any Member. A Member is not required to contribute or to lend any cash or property to the Company to enable the Company to return any Member's Capital

Contributions.

3.3. Capital Accounts. The Company shall maintain an individual Capital Account for each Member.

3.4. No Withdrawal. No Member shall have the right to withdraw such Member's Capital Contributions or to demand and receive property of the Company or any distribution in return for such Member's Capital Contributions, except as may be specifically provided in this Agreement or required by the Act.

3.5. Limited Liability. The Members, as such, shall not be personally liable for any debt, obligation, or liability of the Company, whether that debt, obligation, or liability arises in contract, tort or otherwise.

3.6. No Right of Partition. A Member shall not have the right to seek or obtain partition by court decree or operation of law of any Company property, or the right to own or use particular assets of the Company.

3.7. Actions by Members. The Members shall not be required to hold meetings. Any action that, in accordance with Section 4.1, may be taken by the Members may be taken by a written consent or instrument executed by the requisite Members. If the action is not consented to in writing by all of the Members, the Company shall promptly give any such Member who has not consented a copy of the duly-executed consent.

#### **ARTICLE IV- MANAGEMENT OF THE COMPANY; CONTRIBUTIONS BY THE COMPANY**

4.1. Management by Manager; Limitations on Authority of Members. The management of the Company is to be vested in the Manager. The Manager is a "manager" within the meaning of the Act. Except for decisions or actions requiring the approval of the Members as provided by non-waivable provisions of the Act or applicable law, (i) the powers of the Company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under the direction of, the Manager and (ii) the Manager may make all decisions and take all actions for the Company as in its sole discretion it deems necessary or appropriate to carry out the purposes for which the Company is being formed under this Agreement and to further the interests of the Members of the Company. **The Manager will not receive any fee for its services as Manager.** Other than as set forth in this Section 4.1, the Members will not have any right, power or authority to take or approve any action on the part of the Company.

4.2. Officers; Delegation and Duties. The Company shall have such officers as the Manager deems to be necessary or desirable to conduct its business. Unless the Manager decides otherwise, if the title is one commonly used for officers of a business corporation, the assignment of such title shall constitute the delegation of the authority and duties that are normally associated with that office. Any number of offices may be held by the same Person.

4.3. Contributions by the Company. After all of the Members have made their initial Capital Contributions to the Company under Section 3.1.2, the Manager shall cause the Company to make a Contribution to an eligible charity in an amount equal to the initial Capital Contributions of the Members within 60 days following the Company's receipt of an approval letter from the Commonwealth of Pennsylvania that authorizes the Company to participate in the EITC and/or the OSTC tax credit programs, as applicable. After all of the Members have made their second Capital Contributions to the Company under Section 3.1.3, the Manager shall cause the Company to make a second and final Contribution to an eligible charity in an amount equal to the second Capital Contributions of the Members.

## **ARTICLE V - ALLOCATIONS OF TAX CREDITS**

5.1. Tax credits shall be allocated in accordance with the Member's Percentage Interest.

5.2. The Members acknowledge and agree that because the purpose of the Company is to make the Contributions described in Section 4.3 and not to engage in business activities, it is intended that the Company make distributions and allocations only of tax credits and charitable deductions that result from the Company's activities, and it is not intended or expected that the Company make cash distributions to any Members at any time.

## **ARTICLE VI - BOOKS AND RECORDS; ACCOUNTING; TAX MATTERS**

6.1. Books and Records. The Manager may, in its sole discretion, cause the books and records of the Company to be kept, and the financial position and the results of its operations to be recorded, in accordance with the accounting methods followed for federal income tax purposes. The books and records of the Company shall reflect all the Company transactions and shall be appropriate and adequate for the Company's business.

6.2. Tax Returns. The Manager shall cause to be prepared, at least annually, information necessary for the preparation of the Members' federal and state income tax and information returns. The Manager shall send or cause to be sent to each Member within sixty (60) days after the end of each taxable year, or as soon as practicable thereafter, such information as is necessary to complete such Member's federal and state income tax or information returns, and a copy of the Company's federal, state, and local income tax or information returns for that year. The Manager shall cause the income tax and information returns for the Company to be timely filed with the appropriate authorities.

6.3. Other Filings. The Manager also shall cause to be prepared and timely filed, with appropriate federal and state regulatory and administrative bodies, amendments to, or restatements of, the Certificate adopted by the Manager, and all reports required to be filed by the Company with those entities under the Act or other then current applicable laws, rules and regulations.



6.4. Bank Accounts. The Manager shall maintain the funds of the Company in one or more separate bank accounts in the name of the Company, and shall not permit the funds of the Company to be commingled in any fashion with the funds of any other Person.

6.5. Accounting Decisions and Reliance on Others. All decisions as to accounting matters, except as otherwise specifically set forth herein, shall be made by the Manager. The Members may rely upon the advice of the Company's accountants as to whether such decisions are in accordance with accounting methods followed for federal income tax purposes.

6.6. Tax Matters.

6.6.1 Taxation as Partnership. The Manager and the Members shall take all actions and make such elections as may be required to cause the Company to be treated as a partnership for income tax purposes. Neither the Company nor any Member may make an election for the Company to be taxable as a corporation for federal income tax purposes or to be excluded from the application of the provisions of subchapter K of chapter I of subtitle A of the Code or any similar provisions of applicable state law, and no provision of this Agreement shall be construed to sanction or approve such an election.

6.6.2 Elections; Tax Matters Partner. Subject to Section 7.8.1 and any other provisions of this Agreement, the Manager shall have the authority to cause the Company to make any tax elections on behalf of the Company as it deems necessary or appropriate. If the Manager is a Member, the Manager shall serve as the "tax matters partner" (within the meaning of Code Section 6231(a)(7)) to represent the Company in connection with all examinations of the Company's affairs by tax authorities, including resulting judicial and administrative proceedings, and shall expend Company funds for professional services and costs associated therewith. If the Manager is not a Member, the Manager shall designate a Member to serve as the "tax matters partner." Any Member who is designated "tax matters partner" shall take such action as may be necessary to cause each other Member to become a "notice partner" within the meaning of Section 6223 of the Code. Any Member who is designated "tax matters partner" shall inform each other Member of all significant matters that may come to his, her or its attention in his, her or its capacity as "tax matters partner" and shall forward to each other Member copies of all significant written communications he, she or it may receive in that capacity.

6.6.3 Distribution and Allocation of Credits and Deductions. Subject to Section 3.1.3(ii), the Manager shall take such steps and file such elections as are necessary to distribute and allocate any available tax credits and charitable contribution deductions to the Members in proportion to their Percentage Interests.

## **ARTICLE VII - DISSOLUTION AND WINDING UP**

7.1. Dissolution. The Company shall be dissolved and its affairs shall be wound up on the first to occur of the following:

7.1.1 The determination by the Manager that the Company be dissolved; or

7.1.2 The entry of an order of judicial dissolution of the Company pursuant to Section 8972 of the Act.

7.2. Winding Up. Upon the occurrence of any event specified in Section 7.1, the Company shall continue solely for the purpose of winding up its affairs in an orderly manner. The Manager shall be responsible for overseeing the winding up and liquidation of the Company. The Person(s) winding up the affairs of the Company shall give written notice of the commencement of winding up by mail to all known creditors and claimants whose addresses appear on the records of the Company. All actions and decisions required to be taken or made by such Person(s) under this Agreement shall be taken or made only with the consent of all such Person(s).

7.3. Termination. Upon completion of the winding up of the affairs of the Company, the Members, or other Person(s) winding up the affairs of the Company, shall cause to be filed in the office of, and on a form prescribed by, the Department of State of the Commonwealth of Pennsylvania, a certificate of dissolution as provided in the Act. The Company shall terminate when the certificate of dissolution is filed in accordance with this section. No Member may take any voluntary action that directly causes a dissolution of the Company.

## **ARTICLE VIII - MISCELLANEOUS**

8.1. Complete Agreement. This Agreement (including the Recitals hereof and any schedules or exhibits hereto) and the Certificate constitute the complete and exclusive statement of agreement among the Members with respect to the subject matter herein and therein and replace and supersede all prior written and oral agreements or statements by and among the Members or any of them. No representation, statement, condition, or warranty not contained in this Agreement or the Certificate shall be binding on the Members or have any force or effect whatsoever. To the extent that any provision of the Certificate conflicts with any provision of this Agreement, the terms of this Agreement shall control as between the parties hereto.

8.2. Binding Effect. Subject to the provisions of this Agreement relating to transferability, this Agreement shall be binding upon and inure to the benefit of the Members, and their respective heirs, legal representatives, successors and assigns.

8.3. Parties in Interest. Except as expressly provided in the Act, nothing in this Agreement shall confer any rights or remedies under or by reason of this Agreement on any Persons other than the Members and their respective heirs, legal representatives, successors and assigns nor shall anything in this Agreement relieve or discharge the

obligation or liability of any third person to any party to this Agreement, nor shall any provision give any third person any right of subrogation or action over or against any party to this Agreement.

8.4. Additional Documents and Acts. Each Member agrees to execute and deliver, from time to time, such additional documents and instruments and to perform such additional acts as may be necessary or appropriate to effectuate, carry out, and perform all of the terms, provisions, and conditions of this Agreement and the transactions contemplated hereby.

8.5. Notices.

8.5.1 To Members. Any notice required to be given to a Member under the provisions of this Agreement or by the Act shall be given either personally or by sending a copy thereof:

(i) By first class or express mail, postage prepaid, or courier service, charges prepaid, to the postal address of the Person appearing on the books of the Company. Notice pursuant to this paragraph shall be deemed to have been given to the Person entitled thereto when deposited in the United States mail or with a courier service for delivery to that Person.

(ii) By facsimile transmission, e-mail or other electronic communication to the Person's facsimile number or address for e-mail or other electronic communications supplied by the Person to the Company for the purpose of notice. Notice pursuant to this paragraph shall be deemed to have been given to the Person entitled thereto when sent.

8.5.2 To the Members or the Company. Any notice to the Company or the Members must be given to the Members at the Company address set forth in Section 2.4 hereof, or such other address as the Members may designate from time to time.

8.6. Amendments.

8.6.1 In General. Any amendment to this Agreement shall be adopted and be effective as an amendment hereto only if approved in writing by the Manager and Members holding a majority of the Percentage Interest.

8.6.2 After Making Contributions And Allocating Tax Credits. At any time after the Company has made the Contributions for a particular two-year period and distributed and allocated the resulting tax credits to the Company's Members, the Manager may unilaterally amend this Agreement (including adding or removing Members) in connection with participation in the OSTC and/or the EITC tax credit programs of the Commonwealth of Pennsylvania and earning tax credits from the Commonwealth of Pennsylvania for subsequent periods. No Member will be required to make additional Capital Contributions or to remain a Member of the

Company for any such subsequent period. The Manager will use commercially reasonable efforts to afford to Members of the Company the opportunity to remain as Members or to re-join the Company as Members in order to afford to them the opportunity to participate in the OSTC and/or EITC tax credit programs for subsequent periods.

8.7. Remedies Cumulative. The remedies under this Agreement are cumulative and shall not exclude any other remedies to which any Person may be lawfully entitled.

8.8. Governing Law. This Agreement shall be governed and construed and the legal relationship of the parties determined in accordance with the laws of the Commonwealth of Pennsylvania applicable to contracts executed and to be performed solely in Pennsylvania.

IN WITNESS WHEREOF, the Manager has executed this LIMITED LIABILITY COMPANY OPERATING AGREEMENT FOR THE COMMON PLACE SCHOLARSHIP #1 LLC, effective as of the date first written above.

The Common Place Scholarship #1 LLC

By: \_\_\_\_\_  
Randy Tarpey, Manager

## EXHIBIT A

### JOINDER TO LIMITED LIABILITY COMPANY OPERATING AGREEMENT OF THE COMMON PLACE SCHOLARSHIP #1 LLC

The undersigned hereby agrees to join and become a party, as a "Member," to the Limited Liability Company Operating Agreement (the "Agreement") of The Common Place Scholarship #1 LLC, a Pennsylvania limited liability company (the "Company").

The undersigned will be admitted as a Member of the Company once the undersigned has executed and delivered this Joinder to the Manager of the Company, the undersigned has tendered its initial Capital Contribution to the Company, and the Manager of the Company has accepted the undersigned's admission to the Company by countersigning this Joinder.

#### ACKNOWLEDGEMENTS, REPRESENTATIONS AND WARRANTIES OF THE UNDERSIGNED.

The undersigned, by executing and delivering this Joinder, hereby acknowledges, represents and warrants to the Company, to the Manager and to all of the other Members of the Company as follows:

1) Acknowledgement of the Purpose of the Company. The undersigned acknowledges that the Company is being formed to participate in the Opportunity Scholarship Tax Credit (OSTC) and/or the Educational Improvement Tax Credit (EITC) programs of the Commonwealth of Pennsylvania and earn tax credits from the Commonwealth of Pennsylvania to be distributed to its Members by the Company that result from the Company making charitable scholarship donations to an eligible charity (the "Contributions"), and to distribute those tax credits to the Company's Members. The Company is not being formed for the purpose of engaging in business activities, and one hundred percent (100%) of the proceeds from the sale of Membership Interests shall be used as a donation to an educational institution that is registered and qualifies as a charity under Section 501(c)(3) of the Internal Revenue Code and is included on the Pennsylvania Department of Community and Economic Development approved organizations list for EITC and/or OSTC. The only benefit the Members of the Company will receive in return for their investment is an opportunity to apply for and receive distributions of EITC and/or OSTC that can be used on the Members' personal income tax returns.

2) Initial Capital Contribution; Commitment to Make Second Capital Contribution. The undersigned acknowledges that it is tendering its initial Capital Contribution to the Company concurrently with the execution and delivery of this Joinder in the amount set forth on the signature page to this Joinder. The undersigned understands that by joining the Agreement as a Member, the Member is obligated to make its second Capital Contribution to the Company in an amount equal to the undersigned's initial Capital Contribution when requested by the Manager.

3) Commitment to Cause the Company to Participate in the Opportunity Scholarship Tax Credit (OSTC) and/or the Educational Improvement Tax Credit (EITC) Programs of the Commonwealth of Pennsylvania at the 90% Level. The undersigned acknowledges that the participating in the OSTC and/or the EITC Programs of the Commonwealth of Pennsylvania at the 90% tax credit level requires a two-year scholarship commitment, and that the Company's fulfillment of this commitment will depend upon the Company receiving both the initial Capital Contributions of the Members and their second Capital Contributions. The undersigned acknowledges that a Member's failure to make its second Capital Contributions is likely to result in the loss of tax credits and other adverse consequences to the Company and its Members. The failure of the undersigned to make its second Capital Contribution when due, or to cause it to be made, will result in the consequences set forth in Section 3.1.3 of the Agreement.

4) Mechanism for Making Contribution. The undersigned acknowledges that the Company will make contributions to the Central Pennsylvania Scholarship Fund for all other designated and undesignated funds so long as the entity remains designated by the Commonwealth as eligible to receive donations under the EITC/OSTC Programs. The Central Pennsylvania Scholarship Fund may then make donations to specific schools specified by the Member.

5) EITC/OSTC Eligibility. If the undersigned is a natural person, the undersigned is a shareholder, partner, member or employee of a "business firm" (defined in 72 P.S. § 8702-F). If the undersigned is a legal entity, the undersigned is a "business firm" (defined in 72 P.S. § 8702-F). Please note that generally speaking, a "business firm" is a for-profit legal entity that is authorized to do business in the Commonwealth of Pennsylvania and is subject to Pennsylvania taxes.

6) Independent Advice. The Company has advised the undersigned that, in evaluating the merits and risks of joining this Agreement, the undersigned should consult with and rely on the advice of its own legal, investment, financial, tax, accounting and other professional advisors, if any, including without limitation, advice as to tax and other matters relating to the Company, and the undersigned has so relied on such advice. The undersigned acknowledges that the Company does not provide investment, financial accounting, legal or tax advice and the undersigned relies upon its own professional advisors for such advice.

7) Provision of Information to Member and Member's Advisors. The undersigned and the undersigned's legal, accounting, tax, investment and other professional advisors, if any, have been furnished all materials and responses to their inquiries relating to the Company and its proposed activities, business, operations, financial condition and prospects, the Membership Interest or anything related to this Agreement that they have requested, and have been afforded the opportunity to ask questions of, and to receive answers from the Company and representatives acting on its behalf concerning the terms and conditions of this Agreement or any matter set forth herein and to obtain any additional information necessary to verify the accuracy of any information furnished herein or attached hereto, and have been furnished such answers and information. The undersigned has carefully read, reviewed and understands the information and

documents that have been provided to him, her or it.

8) Adequate Investigation. The undersigned acknowledges that the undersigned is acquiring the Membership Interest after what the undersigned deems to be an adequate investigation of the Company by the undersigned and the undersigned's advisors.

9) Reliance on Information Provided. No oral or written representations or warranties have been made or furnished to the undersigned or its advisor(s) in connection with the Agreement that are in any way inconsistent with the information set forth in the Agreement.

10) Due Authorization for Entity Member. The undersigned, if a corporation, partnership, trust, limited liability company or other form of business entity, is authorized and otherwise duly qualified to execute and deliver this Joinder and perform its obligations hereunder and under the Agreement, and such entity has not been formed for the specific purpose of acquiring the Membership Interest. If the undersigned is any one of the foregoing entities, it hereby agrees to supply any additional written information that may be reasonably required or requested by the Company in its discretion.

11) Correctness and Completeness of Information Regarding Member. All of the information which is set forth in this Joinder or which the undersigned has otherwise provided to the Company with respect to the undersigned (including without limitation the undersigned's true residence if the Member is a natural person, and the undersigned's principal place of business if the undersigned is an entity) is correct and complete as of the date hereof and thereof, and if there should be any material change in such information at any time, the undersigned will immediately furnish the revised or corrected information to the Company.

IN WITNESS WHEREOF, the undersigned has executed this Joinder to Limited Liability Company Operating Agreement of The Common Place Scholarship #1 LLC as of the date set forth below next to the undersigned's signature.

**IF AN INDIVIDUAL OR 2 INDIVIDUALS SIGNING JOINTLY:**

**IF A LEGAL ENTITY:**

\_\_\_\_\_  
Print name

\_\_\_\_\_  
Print name of legal entity

\_\_\_\_\_  
Signature of person's whose name is printed above

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print name

\_\_\_\_\_  
Print name and title of authorized individual signing for entity

\_\_\_\_\_  
Signature of person's whose name is printed above

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

\_\_\_\_\_  
Mailing Address

\_\_\_\_\_  
Mailing Address

\_\_\_\_\_  
Email address

\_\_\_\_\_  
Email address

\_\_\_\_\_  
Social Security #

\_\_\_\_\_  
Social Security #

\_\_\_\_\_  
EIN

AMOUNT OF INITIAL CAPITAL CONTRIBUTION  
(due upon acceptance):

\$ \_\_\_\_\_

NOTE: Minimum of \$3,500 unless Manager determines otherwise

AMOUNT OF SECOND CAPITAL CONTRIBUTION  
(due at Manager's request)

\$ \_\_\_\_\_

NOTE: Same amount as Initial Capital Contribution

**OPTIONAL:** Manager is to use my Capital Contributions for children attending the following EITC/OSTC qualified schools:

Name of School: \_\_\_\_\_ Amount \$ \_\_\_\_\_

Name of School: \_\_\_\_\_ Amount \$ \_\_\_\_\_

Name of School: \_\_\_\_\_ Amount \$ \_\_\_\_\_

IF THE ABOVE OPTIONAL DIRECTION IS LEFT BLANK, Capital Contributions will be regarded as undesignated by the Manager.

Randy Tarpey, in his capacity as Manager of the Company, hereby accepts this Joinder and admits the party or parties identified above as a Member of the Company as of the date set forth next to the signature below.

The Common Place Scholarship #1 LLC

DATE: \_\_\_\_\_

By: \_\_\_\_\_

Randy Tarpey, Manager

Make Check Payable to:  
Send Checks to:

The Common Place Scholarship #1 LLC  
Central Pennsylvania Scholarship Fund  
Attn: Tami Clark or Randy Tarpey  
227 Jefferson Avenue  
Tyrone, PA 16686