

BY-LAWS OF THE
HACKETTSTOWN, NJ BUSINESS IMPROVEMENT DISTRICT INC.

ARTICLE I

SECTION 1.01 – OFFICES AND REGISTERED AGENT

The principal office of the Corporation shall be located at such location or locations in Hackettstown, NJ as the Board of Directors (“Board” or “Directors”) may hereafter designate. A registered agent shall be designated by the Corporation.

ARTICLE II

SECTION 2.01 – PURPOSES

The Corporation shall:

- (A) Operate a Special (or Business) Improvement District and function as District Management Corporation under the NJ District Management Act of 1984.
- (B) Formulate, promote and implement the economic revitalization and general welfare of the commercial area.
- (C) Provide a self-help mechanism by which relevant interests can expand business opportunities and sales, improve property values and enhance the environment for residents, shoppers and visitors.
- (D) Mobilize public and private resources for this purpose.

SECTION 2.02 – TAX CODE

Said Corporation is organized exclusively for charitable, educational, religious or scientific purposes, within the meaning of section 501 (c) 3 of the Internal Revenue Code (or corresponding section of any future Federal Tax code). Notwithstanding any other provision of these articles, the Corporation shall not carry on another activities not permitted to be carried on by a corporation exempt from Federal income tax under Section 501 (c) 3 of the Internal Revenue code.

SECTION 2.03 – DISSOLUTION

In the event of dissolution of the Corporation, all of its assets, after satisfying any creditors, shall be distributed to a 501 (c) 3 Corporation organized for the benefit of Town of Hackettstown, NJ

SECTION 2.04 – MEMBERSHIP

All owners of assessed properties and a representative of the business(s) that reside on those properties shall be members of the Corporation. Members of the Corporation hold no equity interest in the Corporation. Corporation members in good standing may have a vote for Board members, attend regularly scheduled Board meetings, and serve on committees. A member in good standing shall be defined as being a member whose current property assessment is paid in full.

SECTION 2.05 – INCORPORATION

The Corporation is formed under Title 15-A and has been chartered by the NJ Secretary of State.

ARTICLE III

SECTION 3.01 – BOARD OF DIRECTORS

The Board of Directors shall consist of eleven (11) to sixteen (16) members, of which three shall be deemed ex officio. Ex officio Directors shall consist of the Mayor and two members of municipal governing body. Three (3) Directors' seats shall have a representative, at the invitation of the Board of Directors, from Centenary College, Hackettstown Regional Medical Center and Mars Chocolate North America, respectively (assuming each maintains a business interest in Hackettstown). The remaining Directors shall be assessment-paying property owners (50 percent) and commercial tenants (50 percent). The policies, activities and affairs of the Corporation shall be determined by the Board of Directors who shall exercise all of the powers of the Corporation and shall keep full and fair accounts of all its transactions. All Directors shall have a vote.

SECTION 3.02 – TERM OF OFFICE.

The incorporators shall serve as Directors until the organizational meeting at which the Chairman shall divide the Directors into two classes, with half of the Directors in the first class and the balance in the second class. The term of office of the first class shall expire at the next annual meeting of the Corporation after their selection, and the term of office of the second shall expire at the second succeeding annual meeting. At each subsequent annual meeting, Directors shall be elected by vote of the Corporation's member for terms of two years. The Executive Committee shall nominate qualified person to fill any unanticipated vacancies which shall be approved by majority vote of those Board members present and voting. At all times, equal representation of the two (2) constituencies will be maintained.

SECTION 3.03 – DIRECTOR RECRUITMENT

Not Less than 30 days prior to the Annual Meeting, the Secretary shall issue a press release to legal newspaper(s) as designated by the Organization inviting petitions for nominations to directorship. The release shall state the number of positions available and the qualifications for directorship. The release may also be sent to other publications or media that have general circulation in the business community. Only members in good standing in the Corporation may make nominations, be nominated, and/or be elected, for directorships.

The release shall state that any petitions must be submitted in writing, to the Organization's legal business address, no less than 15 days prior to the Annual Meeting. The secretary shall provide an electronic form, along with a hard copy, for use by any member in good standing, wishing to make a nomination by petition.

The Secretary shall put forth for election, any names of members in good standing submitted by petition along with another potential director who may come to the attention of the Executive Committee. The Secretary shall put forth an electronic ballot to reflect the nominations of those eligible candidates. The ballots will be cast electronically at the corporations office location for a one (1) business week duration, the week prior to the Annual Meeting. Only members in good standing of

the corporation may vote, and shall cast votes for a number of directors equal to the number of vacancies to be elected.

The results shall be tabulated prior to the Annual Meeting, reviewed by the Board of Directors, and new directors announced during the Annual Meeting. The Corporation's legal council shall authenticate the election process. Directors shall serve two year terms.

SECTION 3.04 – REMOVAL OF DIRECTORS

At any meeting of the Directors, duly called and at which a quorum is present, the Directors may, by a majority vote of the entire Board, remove with or without cause any Director from office and may elect a successor to serve for the balance of the term of such removed Director. Vacancies occurring on the Board for any reason may be filled by a vote of a majority of Directors then in office. A Director elected to fill a vacancy shall be elected to hold office for the unexpired term of his predecessor and must represent the same constituency as his predecessor.

SECTION 3.05 – MEETINGS

All meetings shall be conducted under Roberts Rules of Order:

- (A) The annual meeting of the Corporation shall be held each year at a time and place established by the Executive Committee. Notice of the Annual Meeting will also be included in the Corporation's assessment billings sent from the Town of Hackettstown's tax office.
- (B) Board meetings may be scheduled at any meeting by the Board of Directors, and when notice is given, a copy of the prior regular meeting minutes, will be included.
- (C) Special Meetings may be called by the Chairman of the Board.
- (D) The Secretary shall cause to notice members in good standing of the place day and hour of any meeting via hand delivery, telephone, email, facsimile, or in the alternative by mailing such notice at least six (6) days before the meetings, postage prepaid, and addressed to him at his last known address. Meetings may be conducted by conference call or online if all "present" can hear and/or participate.

SECTION 3.06 – QUORUM

A simple majority of the Board of Directors, including ex officio members, shall constitute a quorum for the transaction of business. Except in cases in which it is by statute, by the Certificate of Incorporation or by the by-laws otherwise prohibited, the vote of a majority of such quorum at a duly constituted meeting shall be sufficient to pass any measure. In the absence of a quorum, the Director present by a majority vote and without notice other than by announcement may adjourn the meeting from time to time, until a quorum shall attend. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been translated at the meeting as originally notified. No proxies may be accepted.

SECTION 3.07 – BUDGET

- (A) The District Management Corporation shall submit by November 1st proceeding the upcoming fiscal year a detailed annual budget for approval by resolution of the Mayor and Common Council of the Town of Hackettstown. The budget shall be submitted with a report which explains how the budget contributes to goals and objectives for the special improvement district. The fiscal year of the District Management Corporation shall be January 1 to December 31.
- (B) The budget shall be introduced, approved, amended and adopted by resolution passed by not less than a majority of the full membership of the governing body of the Town of Hackettstown.
- i. Introduction and approval;
 - ii. Public advertising;
 - iii. Public hearing;
 - iv. Amendments and public hearings, if required;
 - v. Adoption.
- (C) The budget shall be introduced in writing at a meeting of the Mayor and Common Council of the Town of Hackettstown. Approval thereof shall constitute a first reading which may be by title. Upon approval of the budget by the governing body, it shall fix the time and place for the holding of a public hearing upon the budget.
- (D) The budget shall be advertised after approval. The advertisement shall contain a copy of the budget and shall set forth the date, the time, and place of the hearing. It shall be published at least ten (10) days prior to the date fixed therefore in a newspaper circulating in the Town of Hackettstown.
- (E) No budget shall be adopted until a public hearing has been held thereon and all persons having an interest therein shall have been given an opportunity to present objections. The hearing shall be held not less than twenty-eight (28) days after approval of the budget.
- (F) The public hearing shall be held at the time and place specified in the advertisement thereof, but may be adjourned from time to time until the hearing is closed. The budget as advertised shall be read at the public hearing in full or it may be read by its subtitle, if:
- i. At least one (1) week prior to the date of the hearing a complete copy of the approved budget, as advertised:

- (a) Shall be posted in a public place where public notices are customarily posted in the Municipal Building of the Town of Hackettstown;
 - (b) Is made available to each person requesting the same, during the week, and during the public hearing; and Mayor and Common Council; and
- ii. The Mayor and Common Council shall, by resolution passed by no less than a majority of the full membership, determine that the budget shall be read by its title and declare that the condition set forth in Paragraph (i) have been met. After closing the hearing, the governing body, Mayor and Common Council adopt the budget, by title without amendments, or may approve amendments as provided on Subsection (G) of this section before adoption.

(G) The Mayor and Common Council may amend the budget during or after the public hearing. No amendment by the Mayor and Common Council shall be effective until taxpayers and all persons having an interest therein shall have been granted a public hearing thereon if the amendment shall:

- i. Add new item in an amount in excess of one (1%) percent of the total amount as stated in the approved budget; or
- ii. Increase or decrease any item by more than ten (10%) percent ; or
- iii. Increase the amount to be raised pursuant to Section 16 pf P.L. 1972, c. 134 (c. 40:56-80) by more than five (5%) percent unless the same is made pursuant to an emergency temporary appropriation only. Notice of hearing an amendment shall be advertised at least three (3) days before the date set therefore. The amendment shall be published in full in the same manner as an original publication and shall be read in full at the hearing and before adoption.

(H) Final adoption shall be by Resolution adopted by a majority of the full membership of the Mayor and Common Council, and may be by title.

Upon approval by the Executive Committee of a proposed annual budget, Corporation members shall be invited to a special meeting at a specified place and at a time at least two (2) weeks following the notice. At this meeting, public comment on the condition of the district, on the need for improved services and on the proposed budget will be solicited. A proposed budget, including any modification made by the Executive Committee following this public meeting, shall thereafter be adopted by the affirmative vote of a majority of all members of the Board of Directors.

SECTION 3.08 – COMPENSATION

No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its Board members, officers or other private person, except that the

Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments in furtherance of the Corporation's purposes (Section 2.01). No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office.

SECTION 3.09 – INCUMBENCIES

The Board of Directors and officers at the time of the adoption of these by-laws shall continue to serve until the first annual meeting.

ARTICLE IV

SECTION 4.01 – COMMITTEES GENERALLY

The Board of Directors may provide for standing or special committees with such powers and duties as it deems desirable and may discontinue the same at its pleasure. The members of all such committees shall be appointed and the committee chairmen named by the Chairman of the Board of Directors. One member of the Executive Committee shall serve on all other committees. At least one (1) member of each standing committee or special committee shall be a member of the Board of Directors; the remaining members of such committees may, but need not, be members of the Board of Directors. Vacancies on any committee shall be filled by the Chairman of the Board of Directors. Each member of the Board of Directors must serve on at least one (1) committee.

The following committees will be standing committees of the Corporation:
Executive, Events, Maintenance & Improvement, and Marketing.

SECTION 4.02 – EXECUTIVE COMMITTEE

There shall be an Executive Committee appointed by the Chairmen. The executive committee shall consist of the executive officers in Section 5.01 below and one (1) board member nominated at the discretion of the Chairman. The Executive Committee shall serve to address matters of finance and personnel.

SECTION 4.03 – Removed May 2010

SECTION 4.04 – COMMITTEE REPORTS

All committee meetings and committee recommendations shall be reported in writing to the Board of Directors on a monthly basis.

SECTION 4.05 – MEETINGS OF COMMITTEES

Each committee shall meet at the call of the chairman of the committee or any two (2) members of the committee.

SECTION 4.06 – PARTICIPATION IN COMMITTEES

In selecting members of committees, the Board shall encourage widespread participation among members of the business community, residents, and others

concerned about the economic advancement of the District. From time to time, special committees may be named to advise the Board on issues on which additional perspective may be required and public meetings may be held to solicit advice from those concerned about the economic wellbeing of the District. Special committees terminate upon the completion of the task assigned.

No committee member or members may contract or otherwise obligate the Corporation in any manner. Corporation commitments may only be executed by a member of the Board of Directors.

ARTICLE V

SECTION 5.01 – EXECUTIVE OFFICERS

By a majority vote of the Board of Directors at a meeting of the Board of Directors following the Annual Meeting, the Board shall elect a Chairman, Vice-Chairman, Secretary and Treasurer and such other subordinate officers as it may desire to serve for one (1) year terms. Any two or more of the above mentioned offices, except those of Chairman and Secretary, may be held by the same person provided that no officer shall execute, acknowledge or verify any instrument in more than one (1) capacity. No Executive Officer may hold the same office for any longer than two (2) consecutive years.

SECTION 5.02 – CHAIRMAN AND VICE-CHAIRMAN OF THE BOARD

The Chairman (or vice-Chairman) of the Board shall preside at all meetings of the board at which he shall be present. He/she shall have and may exercise such powers as are from time to time assigned by the Board of Directors.

The Vice-Chairman of the Board, at the request of the Chairman or in his absence, or during his inability to act, shall perform the duties and exercise the function of the Chairman of the Board, and when so acting shall have the powers of the Chairman of the Board. The Vice-Chairman shall have such other duties as may be assigned to him by the Chairman.

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

SECTION 5.03 – EXECUTIVE DIRECTOR

An Executive Director may be hired or employed by the Board of Directors. He shall perform all duties incident to the Office Manager, including supervision of services, contract management, maintenance of accounts, notices and such other duties as from time to time may be assigned by the Board of Directors. The Executive Director has no authority to execute contracts or open bank or investment accounts

on behalf of the Corporation. The Executive Director serves at the pleasure of the Board of Directors and may be terminated at-will, unless otherwise agreed upon.

SECTION 5.04 – SECRETARY

The Secretary shall keep the minutes of the meetings of the Board of Directors in books provided for the purpose. He shall see that all notices are duly given in accordance with the provisions of the By-Laws or as required by law. He shall be custodian of the records of the Corporation; see that the corporate seal is affixed to all documents which require said seal and which has been authorized to execute on behalf of the Corporation and when so affixing may attest to same; and, in general, perform all duties as, from time to time, may be assigned by the Chairman. These duties may also be delegated to an Acting Secretary.

SECTION 5.05 – TREASURER

The Treasurer shall have charge of and be responsible for all funds, securities, receipts and disbursements of the Corporation, and shall deposit or cause to be deposited in the name of the Corporation all monies and other valuable effects in such bank, or other depositories as shall, from time to time, be collected by the Board of Directors. Whenever required, he shall provide an account of the financial condition of the Corporation and, in general, shall perform all duties incident to the office of a Treasurer of a Corporation and such other duties as may be assigned to him by the Chairman. He shall make presentation on the fiscal condition of the Corporation at each general board meeting. These duties may also be delegated to an Acting Treasurer.

SECTION 5.06 – SUBORDINATE OFFICERS

The Board may from time to time appoint such subordinate officers as it may deem desirable. Each such officer shall perform such duties as the Board or the Chairman may prescribe.

ARTICLE VI

SECTION 6.01 – CHECKS, DRAFTS, ETC.

All checks, drafts, or other orders for payment of money, and all notes, bonds or other evidences of indebtedness issued in the name of the Corporation shall be signed by two authorized signatures in which such officers, agent or agents, of the Corporation and in such manner as shall from time to time be determined by Resolution of the Board.

SECTION 6.02 – ANNUAL FINANCIAL REPORT

There shall be prepared annually a full and correct statement of the affairs of the Corporation, including a statement of the financial position and a statement of activities from the preceding year audited by an independent Certified Public Account, whose report shall be submitted at a regular meeting of the Directors and filed immediately thereafter at the principal office of the Corporation. Such statements shall be prepared by the Chairman or such other executive officers of the

Corporation as may be designated by the Board of Directors. This report shall be available to any member of the Corporation, upon request, and shall be filed with the State of New Jersey and the Mayor of Hackettstown, NJ.

SECTION 6.03 – FISCAL YEAR

The fiscal year of the Corporation shall begin with the calendar year unless otherwise specified by the Board of Directors by resolution.

SECTION 6.04 – FIDUCIARY RESPONSIBILITY

All assessments collected by the Town of Hackettstown are to be sent to the Corporation's bank of account. A representative of said bank will provide receipts of all deposits to the Corporation's office.

ARTICLE VII

SECTION 7.01 – SEAL

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

SECTION 7.02 – INSURANCE

The Corporation shall obtain Directors and Officers insurance and liability insurance as deemed necessary by the Board.

SECTION 7.03 – PERSONAL LIABILITY OF DIRECTORS

A Director of this Corporation shall not be personally liable for monetary damages as such for any action taken, or any failure to take any action, unless:

- (a) The Director has breached or failed to perform the duties of his or her office; and
- (b) The breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.

SECTION 7.04 – AMENDMENTS

A motion to amend, alter, repeal, or enact a new by-law may be introduced, considered and discussed, but not voted on, at any meeting of the Board of Directors, provided that at least ten (10) days prior to such meeting a full written statement of the exact language of the motion and the time, place and day of the meeting when the motion will be introduced, had been delivered to every member of the Board by email with a return response requested. Provided the above said motion is duly seconded, the Chairman (or Vice-Chairman) of the Board shall fix and announce a subsequent meeting date within a reasonable number of days when the motion shall be brought to a vote of the Board of Director. An affirmative vote of a majority of the entire Board shall be required to carry said motion. The procedures and notice of requirements shall apply irrespective of any contrary provisions which may be obtained in these By-Laws.

ARTICLE VIII

SECTION 8.01 - OTHER

The terms he/his/him shall refer, without discrimination to all person and persons, without regard to gender.

APPROVED:

Scott Peluso

Chairman Signature

Scott Peluso
Print Name

5-13-2010

Date

Leah Lyons

Witness Signature

Leah Lyons
Print Name

5-13-2010

Date