

**ORDINANCE AMENDING AND SUPPLEMENTING THE
GENERAL ORDINANCES OF THE CITY OF BAYONNE
CHAPTER 10 TAXATION AND SPECIAL IMPROVEMENT
DISTRICTS**

BE IT ORDAINED, BY THE MUNICIPAL COUNCIL OF THE CITY OF BAYONNE, AS FOLLOWS: (All new material)

Section 1. That the Revised General Ordinances of the City of Bayonne, **Chapter 10-2, Special Improvement Districts**, be and is hereby amended and supplemented as follows:

§10-2.7. Harbour Place Special Improvement District

The purposes of this Special Improvement District are to:

- a. Promote economic growth and employment within the Harbour Place district;
- b. Foster and encourage transportation means to enhance the local business climate and residential commuting;
- c. Create a self-financing Special Improvement District to assist in meeting local needs, goals and objectives;
- d. Designate a District Management Corporation to implement and manage the programs and carry out local needs, goals and objectives;
- e. Impose and collect a special assessment on property and parking lots located within the Harbour Place District.

§10-2.8. Definitions.

- a. Special Improvement District (also referred to as "District") means that area of Harbour Place described by Block and Lot numbers and street addresses as set forth in Schedule A, which is on file in the office of the City Clerk, and designated by this Ordinance, in which a special assessment on the commercial property within the District (including multi-tenant residential rental buildings), including without limitation those properties set forth on Schedule B, shall be imposed for the purposes of promoting the economic and general welfare of the District and the City. The amount of the special assessment for each property subject to the special assessment shall be determined by the District Management Corporation and approved by the Municipal Council on a yearly basis.
- b. "District Management Corporation" means the Harbour Place District Management Corporation, (also referred to as "Management Corporation") an entity incorporated pursuant to Title 15A of the New Jersey Statutes and designated by this Ordinance to receive funds collected by a special assessment within the Special Improvement District, as authorized by

this Ordinance and any amendments thereto.

§10-2.9 Findings.

The Council finds and declares that:

- a. The Harbour Place Special Improvement District area of the City has special needs and requires special services separate and apart from the municipal services already provided to the District by the City.
- b. These specific services can best be provided through a private-public partnership implemented by the creation of a Special Improvement District to be managed by a District Management Corporation.
- c. The creation of a Special Improvement District and the designation of a District Management Corporation will promote economic growth and employment; foster and encourage business vitality, expansion and self-help; enhance the local business climate and otherwise be in the best interest of the property owners and residents in the District and throughout the City.
- d. A District Management Corporation will provide administrative and other services to benefit the businesses, employees, residents and consumers within the Special Improvement District and assist the city in promoting economic growth and employment.
- e. A special assessment shall be imposed and collected by the City with the regular property tax payment or payment in lieu of taxes or otherwise, and that all of these payments shall be transferred to the District Management Corporation to effectuate the purposes of this Chapter and to exercise the powers given to it by this Chapter.

§10-2.10. Creation of District.

- a. There is hereby created and designated within the City of Bayonne a Special Improvement District to be known as the Harbour Place Special Improvement District consisting of those properties designated by tax Block and Lot and street addresses on Schedule A attached hereto and on file in the Office of the City Clerk. The properties within the Special Improvement District that shall be subject to special assessment for the purposes of promoting the economic and general welfare of the District and the City includes all commercial properties (including multi-tenant residential rental buildings), including without limitation those properties set forth on Schedule A, shall be imposed for the purposes of promoting the economic and general welfare of the District and the City. The amount of the special assessment for each property subject to the special assessment shall be determined by the District Management Corporation and approved by the Municipal Council on a yearly basis.
- b. All commercial properties within the Special Improvement District, (including multi-tenant residential rental buildings), including without limitation those properties set forth on Schedule A, all private properties; and tax exempt land which contain improvements subject to property tax, are deemed included in the assessing and taxing provisions of this Article and are expressly subject to any fee, tax or assessment made for

- Special Improvement District purposes.
- c. Only those properties within the Special Improvement District that are fully tax exempt or are deemed excluded from the assessing provisions of this Article are expressly exempt from any fee, tax or assessment made for Special Improvement District purposes.

§10-2.11. Appeal of property owner from inclusion in the district.

Any owner of property included within the Special Improvement District and subject to the assessing and taxing provisions of this Article may appeal to the Tax Assessor of the City of Bayonne requesting to be excluded from the District and from any assessment and taxing provisions of this Article. This appeal is only as to whether or not a property should be included within the District under the standards set forth in §10-2.10 of this Chapter. It is not an appeal with regard to any taxes. Appeals with regard to taxes should be taken in the usual manner to the Hudson County Board of Taxation or to the Tax Court. This appeal seeking exclusion from the District and any assessment and taxing provisions of this Article shall be in writing and specifically detail the factual basis for the appeal. The Assessor shall investigate the matter and conduct an informal hearing or conference within thirty (30) days of receipt of the appeal. Within ten (10) days after the conclusion of the informal hearing or conference, the Assessor shall file a report and recommendation with the Municipal Council. The Municipal Council shall review the matter and act within thirty (30) days upon receipt of the report and recommendation from the Assessor.

§10-2.12 Assessments.

- a. It is hereby determined that the operation and maintenance of the District may involve annual costs relating to services peculiar to the District, as distinguished from operation and maintenance services normally provided by the City outside of the District. Those annual costs shall be assessed or taxed to the benefited properties or businesses pursuant to this Article and N.J.S.A. 40:56-65 et seq.
- b. Each year after the Council shall have acted on the estimated costs and/or on the budget of the District, the Assessor shall prepare an assessment roll setting forth separately the amounts to be specially assessed against the benefited and assessable properties in the District. Descriptions of such properties and the names of the then current owners of such properties, so far as names are available, shall be included in each annual assessment roll. The assessment roll, when so prepared, shall be filed in the Office of the City Clerk and be there available for inspection. The Council shall annually meet to consider objections to the amounts of such special assessments at least ten (10) days after a notice of hearing has been published once in the official newspaper and mailed to the named owners of all tracts, parcels and lots of property proposed to be assessed. The notice shall set forth the time and place of meeting, and set forth the purpose of such meeting, but may refer to the assessment roll for further particulars. When the Council shall have approved the amounts of the special assessments set forth therein or as may be

changed by it, the City Clerk shall forthwith certify a copy of the assessment roll with such changes, if any, to the Hudson County Tax Board.

§10-2.13 Designation of District Management Corporation.

The nonprofit corporation, Harbour Place District Management, is hereby designated as the District Management Corporation for the District. This corporation shall conduct its business in accordance with the Open Public Meetings Law. It shall file copies of its minutes of its meetings with the City Clerk, so as to be available for public inspection. This Management Corporation, in addition to acting as an Advisory Board to the Mayor and Council, shall have all powers necessary and requisite to effectuate the purposes of this Article and the District. In order to receive any funds or exercise any of the powers granted herein, the Board of Directors of the Harbour Place District Management Corporation must include as members, the Mayor or his designee and a Member of the Municipal Council as appointed by the Council. The Mayoral and Council members shall serve at the pleasure of, respectively, the Mayor and the Council.

§10-2.14 Powers of District Management Corporation.

The Harbour Place District Management Corporation may:

- a. Adopt by-laws for the regulation of its affairs and the conduct of its business and to prescribe rules, regulations and policies in connection with the performance of its functions and duties.
- b. Employ such persons as may be required and fix and pay their compensation from funds available to the Corporation.
- c. Apply for, accept, administer and comply with the requirements respecting an appropriation of funds or a gift, grant or donation of property or money.
- d. Make and execute agreements which may be necessary or convenient to the exercise of the powers and functions of the Corporation, including contracts with a person, firm, corporation, governmental agency or other entity.
- e. Administer and manage its own funds and accounts and pay its own obligations.
- f. Borrow money from private lenders or governmental entities for periods not to exceed one hundred eighty (180) days.
- g. Fund transportation services within the District including but not limited to shuttles, ferry, car sharing and bike sharing services.
- h. Fund the maintenance of public properties or open space in the District.
- i. Accept, lease or manage property in the District.
- j. Enforce the conditions of any loan, grant, sale or lease made by the Corporation.
- k. Provide security, sanitation, transportation and other services to the District, supplemental to those provided normally by the municipality.
- l. Undertake improvements designated to increase the safety or attractiveness of the district to businesses which may wish to locate there or to visitors to the District including, but not limited to, litter cleanup

and control, landscaping, parking areas and facilities, recreational and rest areas and facilities, pursuant to pertinent regulations of the City of Bayonne.

- m. Publicize the District and the businesses included within the District boundaries.
- n. Recruit new businesses to fill vacancies in and to balance the business mix of the District.
- o. Organize special business or residential related events in the District.
- p. Provide special parking arrangements for the District for customers of businesses within the District.
- q. Provide temporary decorative lighting in the District to attract customers.
- r. Advise the Municipal Council in connection with the acquisition and construction of improvements in the Special Improvement District, the making of a plan therefore and the operation and maintenance thereof, and to meet and furnish recommendations or comments and requests of members of the public and of owners and occupants of property included within the Special Improvement District.

§10-2.15 By-laws.

The Harbour Place District Management Corp. shall file with the City Clerk a certified copy of the adopted by-laws of the Corporation, which by-laws shall be in substantial conformity with the draft by-laws filed with the Clerk prior to the adoption of this Article attached as Scheduled B. The Harbour Place District Management Corp. shall have the right to amend these by-laws from time to time as its members so decide, provided that a certified copy of the adopted amendments shall be filed with the City Clerk no later than fourteen (14) days prior to the date they are to become effective.

§10-2.16. Municipal Powers Retained.

- a. Notwithstanding the creation of a Special Improvement District, the City of Bayonne expressly retains all its powers and authority over the area designated as within the Special Improvement District.
- b. Nothing contained herein shall be interpreted or construed to be a vacation, in whole or in part, of any municipal street or part thereof.
- c. The District Management Corporation shall not make or enter into any contracts for the improvement of any publicly owned or operated facility or property within the Special Improvement District nor adopt any regulations relating to public property in such District without the consent of the City.
- d. The District Management Corporation shall comply with all applicable ordinances or regulations of the City.

§10-2.17 Annual Budget.

- a. The fiscal year of the District shall be January 1 to December 31.

- b. Except with respect to the initial budget which may be presented for approval by the City Council at any time, the District Management Corporation shall submit a detailed annual budget for the upcoming calendar year no later than October 1st, to the Mayor and Municipal Council.
- c. The budget shall be submitted with a report which explains how the budget contributes to goals and objectives for the Special Improvement District. The budget shall be reasonably itemized and shall include a summary of the categories of cost properly chargeable as follows:
 - 1. The amount of such costs to be charged against the general funds of the municipality, if any.
 - 2. The amount of costs to be charged and assessed against properties benefited in the District in proportion to benefits which shall be the aggregate of costs of annual improvements to be made in the District during the ensuing year.
 - 3. The amount of costs, if any, to be specially taxed against properties in the District.
- d. The budget shall be introduced, approved, amended and adopted by resolution passed by not less than a majority of the full membership of the Municipal Council.

The procedure shall be as follows:

- 1. Introduction and approval;
 - 2. Public advertising;
 - 3. Public hearing;
 - 4. Amendments and public hearings, if required; and
 - 5. Adoption.
- e. The budget shall be introduced, in writing, at a meeting of the Municipal Council. Approval thereof shall constitute a first reading, which may be by title. Upon the approval of the budget by the Municipal Council, it shall fix the time and place for the holding of a hearing upon the budget.
- f. 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 the official newspaper of the City.
- g. 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 (20) days after the approval of the budget.
- h. 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.
- i. The budget, as advertised, shall be read at the public hearing in full or it may be read by its title, if:

1. At least one week prior to the date of the hearing, a complete copy of the approved budget as advertised:
 - A. shall be posted in City of Bayonne's Clerk's Office;
 - B. is made available to each person requesting the same during that week and during the public hearing;
 2. The Municipal Council shall, by Resolution passed by not less than a majority of the full membership, determine that the budget shall be read by its title and declare that the conditions set forth in subsection (I)(1) have been met.
- j. The Municipal Council may amend the budget during or after the public hearing. No amendment by the Municipal 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:
1. Add a new item in an amount in excess of one percent of the total amount as stated in the approved budget; or
 2. Increase or decrease any item by more than ten (10) percent.
- k. Final adoption shall be by resolution, adopted by a majority of the full membership of the Municipal Council, and may be by title.

§10-2.18 Fiscal requirements; annual report; audit.

- a.
1. Funds appropriated and collected for the annual costs of operating and maintaining a Special Improvement District, shall be credited to a special account. The Mayor and Municipal Council may incur the annual costs of improving, operating and maintaining a Special Improvement District, during any fiscal year, though not specifically provided for by line item or other category in an approved estimate for such fiscal year, if in their sole discretion it shall be deemed necessary to provide for such annual improvements or operation or maintenance prior to the succeeding fiscal year and so long as the total amount of the account as approved for that year is not exceeded by that expenditure. Any balances to the credit of the account and remaining unexpended at the end of the fiscal year shall be conserved and applied towards the financial requirements of the succeeding year.
 2. The Mayor and Municipal Council may retain a portion of the collected special assessment proceeds to offset the direct costs incurred in the required assessment and budget processes not to exceed two percent (2%) of the budget.
 3. The Mayor and Municipal Council shall pay over funds to the Management Corporation quarterly on the first day of March, June, September and December of each year. The City shall not be

obligated to pay over any funds not actually received by the City.

- b. The District Management Corporation shall cause an annual audit of its books, accounts and financial transactions to be made and filed with the Mayor and Municipal Council and for that purpose the Corporation shall employ a Certified Public Accountant of New Jersey. The annual audit shall be completed and filed with the Municipal Council within four months after the close of the fiscal year of the Corporation, and a certified duplicate copy of the audit shall be filed with the Director of the Division of Local Government Services in the Department of Community Affairs within five days of the filing of the audit with the Mayor and Council.
- c. The District Management Corporation shall, within thirty (30) days after the close of each fiscal year, make an annual report of its activities for the preceding fiscal year to the Mayor and Municipal Council.

§10-2.19 No limitations of powers.

Nothing contained herein shall prevent the Council at any time subsequent to the adoption of this Chapter by Ordinance, from abandoning the operation of the Special Improvement District, changing the extent of the Special Improvement District, supplementing or amending the description of the District to be specially assessed or taxed for annual costs of the Special Improvement District, changing or repealing any plan, rules, requisitions or limitations adopted for the operation of the Special Improvement District or rescinding the designation of or re-designating a District Management Corporation.

§10-2.20 Implementation.

This Special Improvement District shall become operable when the by-laws of the Harbour Place District Management Corp. are adopted by a vote of the eligible participants in the manner provided for in the draft by-laws on file with the City Clerk.

§10-2.21 Severability.

If any provision of this Article or the application thereof to any person or circumstance is held invalid, such holding shall not affect other provisions or applications of the act and to this end the provisions of this act are severable.

§10-2.22 Miscellaneous

- a. All ordinances and parts of ordinances inconsistent herewith are hereby repealed.
- b. The City Clerk shall cause this ordinance to be codified and incorporated in the Revised General Ordinances of the City of Bayonne.
- c. This ordinance shall take effect at the time and in the manner as provided

by law.

d. The city codifier is authorized to change any chapter numbers, article numbers and section numbers if codification of this ordinance reveals a conflict between those numbers and the existing code, in order to avoid confusion and possible accidental repealers of existing provisions.

Schedule A

List of Properties included in Harbour Place Special Improvement District

Block 600	Lots 1.01, 2 and 3
Block 645	Lot 1
Block 660	Lot 1
Block 700	Lot 1
Block 721	Lot 2
Block 722	Lot 1
Block 751	Lots 1.01, 1.02, 1.03, 1.04 and 1.05
Block 790	Lot 1.01
Block 803	Lot 1
Block 815	Lot 1
Block 820	Lot 1
Block 821	Lot 1
Block 822	Lot 1
Block 824	Lot 1
Block 825	Lots 1 and 2
Block 825	Lots 1 and 2
Block 826	Lot 1
Block 830	Lot 1.05
Block 899	Lot 1

Schedule B

Proposed By-laws

**BY LAWS OF THE HARBOUR PLACE DISTRICT MANAGEMENT CORPORATION,
INC.**

Adopted as of _____

ARTICLE I

NAME; OFFICES; CORPORATE SEAL

1.01 Name. The name of the corporation is the Harbour Place District Management Corporation, Inc. (the "Corporation") and shall also be known as the Harbour Place Management, and such other assumed names as the Board of Directors shall determine from time to time.

1.02 Offices. The principal office of the Corporation shall be located at such location or locations in Bayonne, New Jersey, as the Board of Directors ("Directors" is used herein to refer to "Trustees" as such term is defined under the New Jersey Nonprofit Corporation Act) may hereafter designate from time to time.

1.03 Corporate Seal. The Board shall procure a corporate seal which shall be circular in form and shall bear, on its outer edge, the name " Harbour Place District Management Corporation;" and, in the center, the words and figures "Incorporated 2019, New Jersey." The Board may amend the form of the seal or the inscription thereon at its discretion.

ARTICLE II

PURPOSES

2.01 Purposes. The Corporation is organized and shall be operated exclusively for charitable and educational purposes, within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and the Regulations thereunder as they may hereafter be amended. The purposes and powers of the Corporation are more particularly set forth as follows:

(a) To serve as the district management corporation for the Harbour Place Special Improvement District provision pursuant to N.J.S.A. 40:56-65 et seq. (the "Act") and as approved in the City of Bayonne by Ordinance. As such, the Corporation shall have the powers and comply with all requirements as set forth in the Act and in the Ordinance.

(b) Serve the special improvement district, the business community and the town government to formulate, promote and implement the economic revitalization and general welfare of the special improvement district and the City of Bayonne;

(c) Promote and preserve the cultural, historic, tourist and civic interests of the special improvement district and the City of Bayonne;

(d) Mobilize available public and private resources for the purposes set forth herein;

(e) Provide a mechanism by which service firms, retail establishments, property owners, employers, citizens, and others can cooperate to promote business opportunities, employment, consumer choices, shopper's facilities, and the general civil interest;

(f) Form affiliated corporations, non-profit or for profit, to help carry out its purposes;

(g) To do any other act incidental to or connected with the foregoing purposes or any advancement thereof, either directly or indirectly, either alone or in conjunction or cooperation with others; to do any and all lawful acts and things and to engage in any and all lawful activities which may be necessary, useful, suitable, desirable or proper for the furtherance, accomplishment, fostering, or attainment of any or all of the purposes for which the Corporation is organized; and to aid or assist other organizations whose activities are such as to further accomplish, foster, or attain any of such purposes.

(h) Notwithstanding any other provision of these By-laws, the Corporation shall not conduct any activities not permitted to be carried on by (i) a corporation exempt from Federal income tax under section 501(c)(3) of the Code (or the corresponding provision of any future United States Internal Revenue Law) or (ii) a corporation permitted to deduct its contributions under Section 170(c)(2) of the Code (or the corresponding provision of any future United States Internal Revenue Law).

(i) The Corporation shall not carry on propaganda or otherwise attempt to influence legislation. The Corporation shall not engage in any transaction or permit any act or omission that shall operate to deprive it of its tax-exempt status under Section 501(c)(3) of the Code. The Corporation shall not in any manner, including, but not limited to the publishing or distribution of statements, or to any extent participate in or intervene in any political campaign on behalf of any candidate for public office nor shall it engage in any "prohibitive transaction" as defined in Section 503(b) of the

Code.

(j) The Corporation shall not have capital stock, and no stock or shares shall be issued. No incorporator, Director or officer shall at any time be considered to be an owner of any of the assets, property, or income of the Corporation, nor shall he or she, by distribution, liquidation, dissolution, or in any manner, be entitled to or receive any said assets, property or income, all of which shall be devoted exclusively and forever to the purposes of the Corporation or disposed of herein provided. The Corporation is organized and shall operate not for profit, and no part of its net earnings shall inure or may lawfully inure to the benefit of any private shareholder, incorporator, director, officer or individual. The above provisions, however, shall not prevent the payment of reasonable compensation to any person, organization, firm, or corporation for services rendered to the Corporation.

(k) The Corporation also has such powers as are or may hereafter be granted under laws of New Jersey that are in furtherance of the Corporation's exempt purposes within the meaning of Section 501(c)(3) of the Code or the corresponding section of any future Federal tax code.

ARTICLE III MEMBERS

3.01 Membership. The members of the Corporation (the "Members") shall be as follows:

(a) each owner of real estate that is subject to assessment by the Special Improvement District (the "Assessed Property") shall have one (1) membership in the corporation for each five Hundred Thousand Dollars (\$500,000.00) of assessed value as established on January 1 of any given year notwithstanding that such assessment may vary throughout the year as a result of reevaluations or tax appeals; and

(c) If two (2) or more people own a controlling interest in one (1) or more properties, said controlling group shall designate one (1) person as the Member to represent all of such properties and/or businesses collectively.

3.02 Rights of Members. The rights of each Member shall be limited to voting for the Directors of the Corporation as set forth in Article IV hereof.

3.03 No Transfers of Membership Interests. No Member, directly or indirectly, shall assign, transfer, hypothecate, pledge, encumber, give or otherwise voluntarily or involuntarily dispose of any or all of his or her Membership Interest in the Corporation.

ARTICLE IV
BOARD OF DIRECTORS

4.01 Board of Directors. There shall be nine (9) members of the Board of Directors of the Corporation. Each Director must be at least eighteen (18) years of age. The policies, activities, and affairs of the Corporation shall be determined and managed by the Board of Directors who shall exercise all the powers of the Corporation and shall keep full and fair accounts of all its transactions, and formulate and approve the yearly budget of the Corporation. For designation purposes the Board of Directors is referred to, in these By- laws, as the "Board", and each person serving on the Board is referred to individually as "Director," and, if more than one (1) director is referred to, as "Directors" (as set forth in Article 1.02, "Directors" is used herein to refer to "Trustees" as such term is defined under the New Jersey Nonprofit Corporation Act).

4.02 Term of Office. The term of each Director shall expire at the second (2nd) Annual Meeting of the Corporation after their election/selection to the Board except with respect to the Initial Directors.

4.03 Composition of the Initial Board of Directors. The "Initial Directors" shall be comprised of the following:

(a) There shall be seven (7) Directors appointed by the Special Improvement District Steering Committee established by Executive Order of the Mayor of the City of Bayonne, one of them shall be the initial Selected Director and two (2) Appointed Directors by the City. At least one (1) Director appointed by the City shall be a member of the governing body pursuant to N.J.S.A. 40:56-68(b).

1) From the improvement area: There shall be six (6) property owners ("Initial Directors") and one (1) resident within the geographical area of the Special Improvement District ("Initial Selected Director"). The Initial Selected Director shall serve for a term of one year. Three (3) of the Initial Directors, as determined by the Board, shall serve for a term of three (3) years. The Initial Selected Director shall be appointed by the Initial Elected Directors.

2) There shall be two (2) Directors appointed by the City of Bayonne (the "Initial Appointed Director"). The Initial Appointed Directors shall serve for a term of two (2) years.

(b) The Board shall generally be comprised of nine (9) members as follows:

(1) One (1) Appointed Director to be named by the City of Bayonne by

Resolution of the Municipal Council that is a member of the governing body pursuant to N.J.S.A. 40:56-68(b)

(* One (1) Appointed Director to be named by the City of Bayonne by Resolution of the Municipal Council that is, or is not, a member of the governing body;

(2) One (1) Selected Director who is a resident within the geographical area of the Special Improvement District ("Selected Director"). The Selected Director shall be appointed by the Elected Directors;

(3) There shall be Six (6) property owners from the improvement area. ("Elected Directors")

4.04 Election of Directors

(a) Except as set forth in Article 4.03(a) hereof with respect to the Initial Directors, Initial Selected Director and Initial Appointed Director and Article 4.03(b) with respect to Selected and Appointed Directors, Elected Directors shall be elected by plurality vote of Members.

(b) Except with respect to the Initial Directors, Initial Selected Director and Initial Appointed Director, the election/appointment of Elected Directors shall be held annually in the month of September or October ("Election Meeting"). The date, time and place of the Election Meeting shall be determined by the Board at the Annual Meeting of the Directors. Except as set forth in Article 4.03(a) hereof with respect to the Initial Directors and Article 4.03(b) with respect to Selected and Appointed Directors, Elected Directors shall be nominated by the sitting Board of Directors and by requesting nominations from the membership by regular mail by August 1st of each year, then approved by majority vote by a quorum of the sitting Board of Directors, and then elected by plurality vote of the Members.

. (c) The Members shall nominate as follows:

(i) Each Member, or his, her or its designee, who is the owner of Assessed Property shall be entitled to one (1) Special Improvement District nomination for each five Hundred Thousand Dollars (\$500,000.00) of assessed value as established on January 1 of any given year notwithstanding that such assessment may vary throughout the year as a result of reevaluations or tax appeals. If two (2) or more people own a controlling interest in one or more properties, that controlling group shall designate one (1) person as the Member to represent them and to cast a nomination.

4.05 Removal of Directors.

(a) At any meeting of the Directors, duly called and at which a quorum is present, the voting Directors may, by a majority vote, remove for cause any Director from office and may elect a successor to fill the vacancy to serve for the balance of the term of such removed Director as stated below;

(b) A Director shall be deemed to have been automatically removed from office for cause without further action being necessary on the part of such Director or on the part of the Board, in the event that such Director or a designee fails to attend three (3) consecutive regular meetings of the full Board. Following the removal of a Director in the manner provided in this Article 4.05(b), the Secretary of the Corporation shall report such fact to the Board at the meeting of the Board next following the third absence.

(c) Vacancies occurring in the Board for any reason may be filled by a vote of majority of the Directors then in office. A Director elected to fill a vacancy shall be elected to hold office for the unexpired term of his or her predecessor. A vacancy of the governing body director MUST be filled by a vote of a majority of the Municipal Council then in office.

(d) Notwithstanding the provisions of Articles 4.05(b) and (c) hereof, upon the removal of a Director pursuant to either such provision, the removed Director may petition the Board in writing for reinstatement as a Director of the Corporation. Any such petition for reinstatement must (i) set forth in detail an explanation for each absence which explanation must demonstrate just cause for the reinstatement and (ii) must be received by the Secretary of the Corporation not later than ten (10) days prior to a regularly scheduled Board meeting in order for such petition to be considered at such meeting. Upon the receipt of any such petition for reinstatement by the Corporation, the Board at its next regularly scheduled meeting following receipt of any such petition in accordance with this Article 4.05(e) shall consider each such petition and only upon the affirmative vote of a majority of the Directors present shall such removed Director be reinstated. A reinstated Director shall be deemed to have no absences upon such reinstatement. (f) This Article 4.05 shall not apply to the Selected Directors.

(e) Notwithstanding existing elected officials and the Appointed Director, a Director will be removed from the Board of Directors immediately if they declare formally or informally an intention to run for public office in the County of Hudson.

ARTICLE V

MEETINGS OF THE DIRECTORS

5.01 Annual Meeting. The annual meeting of the Directors shall be held in January of each year (the "Annual Meeting") for the election of officers and to conduct such other business as may come before the Board. The Secretary shall cause to be mailed to each Director at his or her address a notice stating the time and place of the Annual Meeting. All voting shall take place at said meeting. Officers shall be elected by a majority of the full membership of the Board, excluding vacancies. Officers elected at the Annual Meeting shall take office effective immediately upon election.

5.02 Regular Meetings. Regular meetings of the Board of Directors shall be held at least four (4) times per year, which shall include the Annual Meeting. The other three (3) dates shall be established by the Board of Directors at its Annual Meeting. Meetings shall be held at locations and at times chosen by the Directors at the Annual Meeting, and no additional notice of place, day and hour of regularly scheduled meetings need be given to any Director

5.03 Initial Meeting.

(a) At the initial meeting of the Corporation, the officers shall be elected by the initial Board to serve until the first Annual Meeting. Thereafter, the officers of the Corporation shall be elected by the Board at the Annual Meeting in accordance with the provisions of Article IV.

5.04 Special Meetings. Special meetings of the Board may be called by the President. Notice of the place, day and hour of such special meeting shall be given to each Director at least twenty-four (24) hours before the meeting, by delivering notice to him personally, or by delivering the same at his or her residence or usual place of business, or by contacting him or her by telephone. Any notice of a special meeting shall state the business to be transacted.

5.05 Quorum & Electronic Voting. A quorum at the meetings of the full Board shall consist of a majority of those Directors present at such meetings; however, at a minimum five (5) voting members of the Board, excluding vacancies, must be present in order to vote on any measure. A quorum of three (3) people of which one must be an officer must be present for the Executive Committee Meetings. Except as otherwise provided in the Certificate of Incorporation, these By-Laws or the laws of the State of New Jersey, a quorum shall be sufficient to pass any measure. In the absence of a quorum, the Directors present by a majority vote and without notice other than by announcement may adjourn the meeting, from time to time, until a quorum shall attend. At any such meeting after an adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the

adjourned meeting as originally notified. Committees and subcommittees do not have a quorum requirement, but must consists of two members, one of which may be staff of the organization. Meetings may take place electronically by telephone, and/or through the Internet and will be recorded by electronic vote and added to the minutes.

5.06 Compensation. No compensation shall be paid to any officer or Director. Nothing herein shall prevent any officer or Director from being reimbursed for out-of-pocket expenses or compensated for services rendered in any other capacity to or for the Corporation, provided, however, that any such expenses incurred or services rendered shall have been authorized in advance by resolution of the Board.

5.07 Contracts and Service. The members, Directors and officers of the Corporation may be interested directly or indirectly in any contract relating to or incidental to the operations conducted by the Corporation, and may freely make contracts, enter transactions, or otherwise act for and on behalf of the Corporation, notwithstanding that they also may be acting as individuals, or a trustee of trusts, or as agents for other persons or corporations, or may be interested in the same matters as stockholders, members, trustees, or otherwise. Notwithstanding the foregoing, any contract, transaction, or act on behalf of the Corporation in a matter in which any member, Director or officer is personally interested as a stockholder, director, or otherwise must be disclosed to the Directors, conducted at arm's length, shall not violate any prohibition against the Corporation's use or application of its funds for private benefit and shall be approved in accordance with N.J.S.A. 15A:6-8 as same may be amended or modified and any successor statute thereto. Common or interested Directors may be counted in determining the presence of a quorum at a board meeting at which such a contract or transaction is authorized, approved or ratified; however, such authorization, approval or ratification shall only be effective by affirmative vote of a majority of the disinterested Directors present and voting.

ARTICLE VI

COMMITTEES OF THE BOARD OF DIRECTORS

6.01 Committees Generally. By resolution adopted by a majority of the Board, the Board may provide for such 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 chairman named by the President. At least one member of each standing or special committee shall be a member of the Board; the remaining members of such committees may, but need not be, members of the Board. Each committee shall keep full and fair accounts of its transactions and accurate minutes of its meetings. Vacancies on any committee shall be filled by the President. Selected members representing municipal elected officials on the Board may not serve as voting members of Committees or

Subcommittees.

6.02 Committee Reports. All recommendations by a committee shall be reported in writing (includes electronically) to the Board.

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

6.04 Participation in Committees. In selecting members of committees, the Board shall encourage widespread participation among members of the business community within the special improvement district and others concerned with the purposes of the Corporation. 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 well-being of the district.

ARTICLE VII OFFICERS

7.01 Executive Officers. By a quorum of the Board, excluding vacancies, at the Annual Meeting, the Board shall elect a President, a Vice President, a Treasurer, and a Secretary from among the Elected Directors to serve for a one (1) year term.

7.02 Vacancies. Except as provided in Article 7.03 herein below, in the event any office becomes vacant by death resignation, retirement, removal, disqualification or any other cause, the Board may elect, by a majority vote of the full membership of the Board, excluding vacancies, an officer to fill such vacancy, and such officer shall hold office and serve until the next Annual Meeting. In the event that any officer cannot conduct the duties of his or her office for a period exceeding sixty (60) days, the Board may deem such office vacant.

7.03 President and Vice Presidents of the Board of Directors.

(a) President.

(i) The President shall preside at all meetings of the Corporation and of its Board.

(ii) The President shall have general charge and supervision of the activities and affairs of the Corporation.

(iii) The President may call special meetings of the Board.

(iv) The President shall have and may exercise such powers as are, from time to time, assigned to him or her by the Board.

(v) With the approval of the Board and in conjunction with the Secretary, the President may enter into and execute in the name of the Corporation, contracts and other instruments in the regular course of business, except where the execution of such instruments is expressly delegated by resolution of the Board to another officer or agent of the Corporation.

(b) Vice President.

(i) In the event the President is absent or unable to act, or at the request of the President, the First Vice President shall perform the duties and exercise the functions of the President, and when so acting shall have the powers of the President.

(ii) The Vice President shall have such other duties as may be assigned to him or her by the President.

7.04 Secretary.

(a) The Secretary shall keep or cause to be kept corporate records in which shall be entered all information required by these By-laws or by law to be kept by the Corporation, which shall include, but is not limited to, the minutes of the meetings of the Board in books provided for such purpose.

(b) The Secretary shall perform any and all legal duties under the Certificate of Incorporation and incident to the corporate office of Secretary.

(c) The Secretary shall be responsible for providing notice of meetings and other actions to Directors whenever required by these By-laws or by law.

(d) The Secretary shall be the custodian of the Corporation's seal and shall affix same to all documents which require said seal and which he or she has been authorized to execute on behalf of the Corporation and when so affixing may attest to the same.

(e) The Secretary shall perform all other duties as, from time to time, may be assigned to the Secretary by the Board or the President.

(f) A assistant secretary may be appointed to act solely as corporate notary. This person may be a elected Board member of a member of the staff.

7.05 Treasurer.

(a) The Treasurer shall be the custodian of all funds, securities and receipts of the Corporation, and shall cause to be deposited in the name of the Corporation all monies and other valuable effects in such depositories as may be designated by the Board.

(b) The Treasurer shall disburse the funds of the Corporation as authorized by the Board. The Treasurer shall keep or cause to be kept proper vouchers of all sums disbursed, and maintain complete and regular accounts in accordance with a system satisfactory to the Board.

(c) Upon the request of the Board, and at least annually, the Treasurer shall submit to the Board an account of the financial condition of the Corporation.

(d) The Treasurer shall perform any and all legal duties under the Certificate of Incorporation and incident to the office of a treasurer of a Corporation and such other duties as may be assigned to him or to her by the Board or the President.

7.07 Personnel. The Board may hire and/or retain an administrator, manager, staff and/or consultants as necessary to achieve the purposes of the Corporation.

7.08 Removal. Any officer of the Corporation may be removed from office with or without cause by the affirmative vote of a majority of the Board.

ARTICLE VIII CONDUCT OF BUSINESS

8.01 Checks, Drafts, Etc. Except as otherwise provided in these By-Laws, 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 such officers and/or Directors in such manner as shall, from time to time, be determined by resolution of the Board. In no event shall the signatures of fewer than two (2) such officers and/or Directors be necessary to bind the Corporation on any such checks, drafts or other order for payment of money, note or other evidence of indebtedness.

8.02 Annual Reports. There shall be prepared annually a full and correct statement of the affairs of the Corporation, including a balance sheet and statement of operations for the preceding fiscal year, audited and certified by an independent Certified Public Accountant, which shall be submitted to and reviewed by the Board at a regular meeting of the Directors and filed immediately thereafter at the principal

office of the Corporation. Such statement shall be prepared by the Treasurer, or such other executive officer of the Corporation as may be designated by the Board, in conjunction with the independent Certified Public Accountant. A copy of the report shall be made available at the principal office of the Corporation for inspection by the public upon request made to Corporation.

Within ninety (90) days after the close of each fiscal year, there shall be filed with the Mayor and Clerk of the City of Bayonne an annual written report for the preceding fiscal year.

8.03 Fiscal Year. The fiscal year of the Corporation shall be the calendar year, January 1st with the year ending December 31st, unless otherwise provided by the Board by resolution.

8.04 Bonds. The Board may require any officer, agent or employee of the Corporation to give a bond to the Corporation conditioned upon the faithful discharge of his or her duties with one or more sureties and in such amount as may be satisfactory to the Board.

8.05 Contracts. Except as otherwise provided in these By-Laws, the Board, by resolution, may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation, and such authority may be general or confined to specific instances.

8.06 Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board by resolution may select or as may be designated by any officer or officers, agent or agents of the Corporation to whom such power is delegated by resolution of the Board.

8.07 Acceptance of Gifts. The Board or any officer or officers, agent or agents of the Corporation to whom such authority is delegated by resolution of the Board may accept on behalf of the Corporation any contribution, gift, grant, bequest or devise for the general purposes or for any special purpose of the Corporation followed by proper acknowledgment.

ARTICLE XIV AMENDMENTS

9.01 Amendments. A motion to amend, alter, repeal, or enact a new By-law may be introduced, considered, discussed and voted on at any meeting of the Board, provided 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 date of the meeting when the motion(s) will be introduced has been forwarded to every member of the Board by regular mail. An affirmative vote of a quorum of the Board shall be required to carry said motion. The procedures and notice of requirements of this section shall apply irrespective of any contrary provisions which may be contained in these By-Laws.

ARTICLE X
INDEMNIFICATION; EXCULPATION

10.01 Indemnification.

(a) For the purposes of this Article X, all definitions set forth in N.J.S.A. 15A:3-4, as amended from time to time, shall apply.

(b) Indemnification of any person who is a director, officer, employee or corporate agent of the Corporation shall be provided to the fullest extent permitted by N.J.S.A. 15A:3-4 as same may be amended or modified and any successor statute thereto or any other applicable provision of law. Such indemnification shall include, without limitation, indemnification against the actual amount of net loss including counsel fees, reasonably incurred by or imposed upon him or her in connection with such action, except as to matters for which he or she shall be ultimately found in such action to be liable for gross negligence or willful misconduct. In the event of any settlement of such a case, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Corporation is advised by counsel that the person to be indemnified had not been guilty of gross negligence or willful misconduct.

(c) Any corporate agent may be insured by insurance purchased and maintained by the Corporation against any expenses incurred in any such proceeding and any liabilities asserted against the corporate agent in the capacity as corporate agent, whether or not the Corporation would have the power to indemnify such corporate agent under N.J.S.A. 15A:3- 4 as same may be amended or modified and any successor statute thereto.

10.02 Exculpation. Unless acting in bad faith, neither the Board as a body nor any Director, officer or corporate agent shall be personally liable to any Member of the Corporation in any respect for any action or lack of action arising out of the execution of his or her office. Each Member of the Corporation shall be bound by the good faith actions of the Board, officers and corporate agents of the Corporation, in the execution of the duties and powers of said Directors, officers and corporate agents. However, nothing contained herein shall be construed so as to exculpate Directors, or any of them, from discharging their fiduciary responsibilities.

10.03 Interpretation. This Article X is subject to N.J.S.A. 15A:3-4 as same may be amended or modified and any successor statute thereto. Nothing in this Article X shall be construed so as to conflict with or violate the terms of N.J.S.A. 15A:3-4. Any and all requests for indemnification under this Article X shall be made, and shall be heard and decided by the Board, in accordance with the applicable terms of N.J.S.A. 15A:3-4.

ARTICLE XI
DISSOLUTION

11.01 Dissolution. Upon the dissolution of the Corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Code (or the corresponding section of any future Federal tax code) or shall be distributed to the Federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

CERTIFICATE

I, the undersigned Secretary of the HARBOUR PLACE DISTRICT MANAGEMENT CORPORATION, hereby certify that the above is a true copy of the By-Laws of said Corporation duly adopted and in full force and effect.

Name:

Dated: _____, 2017

