BYLAWS OF

Flemington District Management Corporation, Inc.

DBA

Flemington Improvement District

ADOPTED: March 31, 2016

AMENDED: December 13, 2024

ARTICLE I
NAME

The name of the corporation is The Flemington District Management Corporation, Inc., d.b.a. “Flemington Improvement District,” (the “Corporation”) as set forth in the Certificate of Incorporation of the Corporation filed in the New Jersey State Treasurer’s Office on February 25, 2016, as amended (the “Certificate”). The Corporation may conduct its charitable and nonprofit activities using any alternate name as approved by the Board of Trustees provided it complies with all of the registration requirements under N.J.S.A. 15A:2-3.

ARTICLE II
PURPOSE

The Corporation is organized exclusively for one or more of the charitable purposes specified in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “IRC”), and the Regulations thereunder as they may be hereafter amended; and, more particularly, for those purposes set forth in the Certificate; the economic and physical improvement of the Borough of Flemington’s business areas through private/public partnership; and to foster a thriving business community in the Borough of Flemington. The Corporation is to serve as the “district management corporation” of the Special Improvement District of the Borough of Flemington, New Jersey (the “District”), in accordance with and subject to all of the provisions of N.J.S.A. 40:56-65 to 89, as same shall be amended and supplemented. Any conflict between the corporation’s purpose or practice and the 501(c)3 status of the organization shall necessitate a change in that purpose of practice.

ARTICLE III
OFFICES

The Corporation shall have such principal office(s) within the Borough of Flemington, New Jersey, as the Board may require. Such principal office(s) may be changed by an act of the Board in a manner consistent with these Bylaws. The registered office of the

Corporation shall be as set forth in the Certificate, as amended or modified by the Board from time to time.

ARTICLE IV
BOARD OF TRUSTEES

1. BOARD OF TRUSTEES: For designation purposes, the Board of Trustees is referred to in these Bylaws as the "Board," and each person serving on the Board is referred to herein individually as "Trustee," and, if more than one (1) Trustee is referred to, collectively as "Trustees." The Term Trustee shall be interchangeable with the word "Members" and may be used accordingly.

2. GENERAL POWERS: The affairs of the Corporation shall be managed by the Board. The Trustees shall have all power granted to the trustees under the New Jersey Non-Profit Corporation Act and Chapter 151 of the Laws of 1984, including but not limited to the adoption of bylaws 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; employ such persons as may be required, and fix and pay their compensation from funds available to the corporation; apply for, accept, administer, and comply with the requirements respecting and appropriation of funds or a gift, grant or donation of property or money; make and execute agreements which may be necessary or convenient to the exercise of the powers and functions of a corporation, including contracts with any person, firm, corporation, governmental agency or other entity; administer and manage its own funds and accounts and its own obligations; and borrow money.

3. BOARD COMPOSITION: The number of Trustees shall be not less than seven (7) and not more than (13), of which one (1) Trustee shall be a member of the governing body of Flemington, (1) Trustee position shall be set aside for a representative of a large corporate entity, and there shall be (2) positions set aside for residential property owners, appointed by the voting Trustees, who shall have no voting rights.

4. **STAKEHOLDER DEFINITION AND VOTING RIGHTS:**

A. Stakeholders are defined as individuals or entities that own a commercial business, commercial property, or commercial residential property (with four or more dwellings) within the district and are subject to the special assessment. This excludes residents and non-FID (Flemington Improvement District) tax-paying businesses, including nonprofit organizations, from stakeholder status.

B. Concomitant Issues:

1. **Voting tied to Block and Lot**: Commercial properties are assessed by block and lot. If voting is tied to these assessments, an individual or entity that owns multiple building entities within the same block and lot will have only one vote for that block and lot.
2. **Renting Multiple Locations**: A commercial business that rents more than one location would have the potential for multiple votes, corresponding to the number of separate Block and Lot locations. Currently, the system grants only one vote per owner, regardless of how many properties or entities they own or control.
3. **Shared Ownership/Business Partnerships**: Many businesses in the district involve married partners or business partnerships with shared sub-businesses. Voting should be tied to the physical commercial location or block and lot. If a business rents multiple spaces within the same building, they receive one vote. However, if a business rents spaces in multiple buildings with separate tax Block and Lot numbers, they could qualify for multiple votes. For example, if a farmer's market rents one space annually but sublets to several vendors, only the primary renter of the space would be a stakeholder.
4. **Office and Residential-Commercial Properties**: In buildings that contain both office or commercial residential units, only the commercial entities are eligible to vote, provided they are not nonprofit organizations. Residential tenants do not have voting rights.

6. **Corporate Representation on the Board**

A Corporate Trustee may transfer its seat on the Board to another internal representative if the original appointee must step down. The Board must agree that the new representative is fit for the role. This acknowledges the stakeholder as the entity rather than the individual. The corporate representative on the Board must have decision-making power within the company. This ensures continuity and authority within the business's involvement on the Board. The term is for the business entity, not an individual who rotates every few years.

7. ELECTION OF TRUSTEES:

The election of Trustees shall be held annually, in November or such other time designated by the Board of Trustees at their reorganization meeting.

A. **Elections (except for the initial election)** Stakeholders at large will have the opportunity to vote in person, by mail, email or, if available, via a municipal website.

B. **Trustees shall be elected by the majority of votes** of the Stakeholders received by the Municipal Clerk by the designated voting deadline.

C. **Nomination Process:**

1. A Nomination Committee shall be formed at the reorganization meeting of each year. The Committee shall consist of the Chair of the Organization, the Executive Director, and two other members of the Board appointed by the Chair.
2. At least Ninety days before the election for new Trustees, the Committee will initiate a process to identify and vet potential Board candidates. The Nomination Committee will have the autonomy to establish its own guidelines but must engage in discussions with the full Board of Trustees to ensure the organization's needs are thoroughly assessed and addressed.
3. The Nomination Committee shall provide a slate of candidates to fill the upcoming vacancies at the Board Meeting, at least one month before the

election. The slate shall then be sent to all stakeholders via email or personal mail to allow voting participation.

4. The Board shall have the authority to approve all, some, or none of the candidates on the slate. If a candidate is not approved, the nomination committee will reconvene to present new individuals for consideration at the next available meeting. This process will continue until all the positions are filled.

D. **Election Voting Process:**

1. Stakeholders at large will receive the slate of candidates via email or personal mail at least 30 days before the election. Voting shall open on a specified date and remain open for a set period not less than 20 days to provide all stakeholders with a reasonable opportunity to participate.
2. All votes received by the Municipal Clerk shall be tallied by the Clerk and the results shall be provided to the Board within 20 days of the election.

E. **Election Certification:**

The election results shall be certified by by the Borough Clerk to the Board Chair, Executive Director and Secretary of the Board to then be made public. The terms of the new candidates will begin at the reorganization (annual) meeting of the Board.

8. TERM OF OFFICE: Effective January 1, 2017, the Initial Trustees (elected at the organizational meeting of March 31, 2016), shall be Trustees in good standing and shall serve on the following basis: Class A - one third (1/3) of the members shall hold office for three (3) years; Class B - one third (1/3) shall hold office for two (2) years; and the balance, Class C - shall hold office for one (1) year.

At each future election, the successor to the Trustee whose term is expiring shall hold office for a term of three (3) years, so that the term of the Trustee of one class shall expire each year. The term of each Trustee shall expire at the end of the last year of such term. Each Trustee shall remain in office until his or her successor is

elected and qualified, subject to earlier termination by removal or resignation by the Board. A Trustee shall be limited to (2) consecutive terms before having to take at least one year off before returning to the Board.

The term for the Council Liaison shall be one (1) year, to be appointed at the beginning of each year by the governing body.

9. COMPENSATION: No compensation shall be paid to any Trustee for his or her services to the Board. The Board may provide by resolution that any corporate agent (including Trustees) be indemnified for expenses and costs, including legal fees, which were necessarily incurred in conjunction with any claim asserted against him or her by reason of his or her being or having been a corporate agent. However, no indemnification shall be allowed if the corporate agent was guilty of misconduct regarding the matter in which indemnity is sought.

10. QUALIFICATIONS OF TRUSTEES: No person shall be qualified, eligible, deemed in good standing or accepted to serve on the Board unless such person is:

A. An individual who has paid in full his/her respective assessment, tax, water and sewer accounts, license(s) from the Borough of Flemington and has obtained a currently valid certificate of occupancy or change of occupancy if applicable.

11.. REMOVAL OF TRUSTEE: The failure of any person, or Corporation, individually or through his/her represented organization, to make or fulfill the committed annual contribution and responsibilities shall be cause for suspension or removal as a Trustee upon such reasonable written notice as determined by the Board.

Except for the Council Liaison, any Trustee who, without good cause or satisfactory explanation, shall not: (a) attend three (3) consecutive scheduled meetings of the Board, or during any fiscal year missed one-third of the scheduled Board meetings; or (b) participate in committees, committee assignments or corporate projects, may be subject to suspension or removal from the Board upon

reasonable written notice as determined by the Board.

The Board may suspend or remove any Trustee (excluding the Council Liaison) at any time by a majority vote of the Board Members present at a meeting of which a quorum of the Board is present if, in its judgment, the best interests of the Corporation would be served thereby.

12. VACANCIES: The Board, with a majority of the Trustees present at a meeting of which a quorum of the Board is present, may fill any vacancy among the Trustees, including a vacancy caused by death, disability, removal, resignation, and ineligibility or otherwise, by appointing a successor Trustee to serve the remainder of the vacating Trustee's term. A Trustee appointed to fill a vacancy shall hold office for the unexpired term of his or her predecessor.

ARTICLE V
OFFICERS

1. OFFICERS: The officers of the Corporation shall be as follows: A Chair, Vice Chair, Secretary, and Treasurer.

2. TERM: The initial officers shall be Trustees in good standing, elected by the Initial Board at their organizational meeting. Thereafter, the officers shall be Trustees in good standing, elected annually by the full Board at their annual meeting. Vacancies that occur outside of the normal end of a term may be filled at any meeting of the Board, through a process conducted by the Nomination Committee. Each officer shall remain in office until his or her successor is elected and qualified, subject to earlier termination by removal or resignation by the Board.

3. CHAIR: The Chair shall preside over all meetings of the Board at which he/she is present. He/she shall have and may exercise such powers as are assigned to him or her by the Board from time to time.

4. VICE CHAIR: The Vice Chair, at the request of the Chair or in his/her absence, or during his/her inability to act, shall perform the duties and exercise the functions of the Chair, and when so acting, shall have the powers of the Chair. The Vice Chair shall have such other duties as may be assigned to him/her by the Chair.

5. SECRETARY: The Secretary shall keep the minutes and records of the Corporation in appropriate books, see that all notices are given in accordance with these Bylaws or as provided by law, keep the seal of the Corporation and affix same to Corporate documents, keep a list of all Trustees and their mailing addresses and, in general, perform all duties incidental to the office of Secretary and such other duties as may be assigned by the Chair of the Board.

6. TREASURER: The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Corporation and, in general, perform all the duties incidental to the office of Treasurer and other duties as may be assigned by the Chair or Board.

7. EXECUTIVE DIRECTOR: There shall be an Executive Director, who shall serve as the chief operating officer of the corporation. He or She shall be able to exercise all powers of a trustee, except she shall not vote on any matter presented to the corporation. The executive director will handle all routine matters on behalf of the corporation.

8. Additional Employees or Agents: The Board may hire and/or retain an Executive Director, staff, contractors and/or consultants, as the Board shall deem necessary to achieve the purposes of the Corporation. All such employees shall operate under the supervision and management of the Executive Director.

9. REMOVAL OF OFFICERS: The Board may suspend or remove any officer at any time by a majority vote of the Trustees present at a meeting of which a quorum of the Board is present if, in its judgment, it is found to be in the best interest of the Corporation.

ARTICLE VI
MEETINGS OF TRUSTEES

1. ANNUAL MEETING: The annual meeting of the Board shall be held in January of each year for the election of officers and to conduct such other business as may come before the Board. The Board shall determine the time and place. The Secretary shall cause to be mailed or emailed to each Trustee at his or her address a notice stating such time and place of the Annual Meeting. Officers shall be elected by a majority vote of the Trustees present at the Annual Board meeting. Officers elected at the Annual Meeting shall take office effective immediately upon election.

2. REGULAR MEETINGS: The Board shall meet every other month unless there is a holiday or scheduling conflict, whereby the cancellation or date change shall be approved by a majority of the Trustees.

3. SPECIAL MEETINGS: Special meetings of the Board may be called by the Chair, or in the absence of the Chair, the Vice Chair.

4. NOTICE: Notice of Regular and Special Meetings may be held on Twenty four (24) hours written or verbal notice including announcement of such at a previous meeting. Any meeting may be adjourned from time to time. In such an event, it shall not be necessary to provide further notice of the time and place of the adjourned meeting if such announcement is given at the meeting so adjourned.

5. QUORUM AND VOTING: Each Trustee in good standing shall have one (1) vote at any meeting of the Board. If a majority (51%) of the Trustees then in office are present, either in person or by proxy, at any meeting, it shall constitute a quorum for the transaction of business at any meeting of the Board. A majority (51%) of the votes cast at a meeting at which a quorum is present shall constitute the action of the Board except for a change to these Bylaws which will require a 66% percent vote of the Full membership of the Board.

6. RULES OF ORDER: The conduct of all meetings of the Board of Trustees shall be governed by Roberts Rules of Order (latest edition), which shall be binding in all cases where they are not inconsistent with these bylaws.

A. AGENDA PROVIDED IN ADVANCE: Each Trustee shall be sent, in advance of a meeting, an order of business or agenda, with some indication of the matters to be considered under each heading.

B. SAMPLE AGENDA: At minimal the Board will utilize the sample meeting Agenda for the structure of its meetings:

Sample Meeting Agenda

Call to Order

- The Chair calls the meeting to order.

Roll Call

- Secretary takes attendance and notes who is present and who is absent.

Approval of Minutes

- Review and approval of the minutes from the previous meeting.
- Motion to approve the minutes.
- Second the motion.
- Discussion (if any).
- Vote on the motion.

Reports of Officers

- **Chair's Report**
- **Treasurer's Report**
  - Presentation of financial statements.
  - Motion to approve the Treasurer's report.
  - Second the motion.
  - Discussion (if any).
  - Vote on the motion.
- **Executive Director's Report**

Reports of Committees

Unfinished Business

- Review of any business or items left unresolved from the previous meeting.

New Business

- Introduction of new topics or motions for discussion.
- Each item of new business should be addressed with a motion, second, discussion, and vote.

Announcements

- General announcements from Board members or the Chair.
- Notification of next meeting date and location.

Adjournment

- Motion to adjourn the meeting.
- Second the motion.
- Vote on the motion.
- Chair declares the meeting adjourned.

C. Executive Session: The Board may enter into Executive Session during a meeting for the discussion of sensitive or confidential matters. Reasons for entering Executive Session may include, but are not limited to:

1. Personnel matters, including discussions related to hiring, performance reviews, compensation, and discipline.
2. Legal issues and consultations with legal counsel.
3. Discussions regarding the negotiation of contracts.
4. Matters involving the privacy of individuals.
5. Any other issue deemed confidential by a majority vote of the Board.

A motion to enter Executive Session must be made and seconded during the meeting, and a majority vote is required to approve the motion. The minutes of the meeting shall reflect the general reason for entering Executive Session, but details of the discussion shall remain confidential.

7. WRITTEN CONSENT IN LIEU OF A MEETING: The Board may take action without a meeting if the action is approved by a majority of the Trustees in writing. This written consent may be obtained electronically. Such consent of action(s) shall be recorded in the minutes of the previously held Board meeting as an addendum.

8. PROXY VOTING: A Trustee may assign as a general proxy another Trustee to serve and vote on his/her behalf during Board meetings in the event of an absence with notice to the Board in writing (including via email).

9. TELEPHONE/VIRTUAL ATTENDANCE: Any one or more Trustees may participate in a meeting of the Board by means of Virtual technology, conference telephone, or similar telecommunications device, which allows all persons participating in the meeting to hear one another. Participation by telephone shall be equivalent to presence in person at the meeting to determine attendance and if a quorum is present.

ARTICLE VII
ANNUAL REPORTING

1. FISCAL YEAR The fiscal year of the Corporation shall be a calendar year and begin on January 1st of each year and end on December 31st of each year.

2. ANNUAL AUDIT: The books of accounts and the annual financial statements of the Corporation shall be audited annually by an independent certified public accountant selected by the Board of Trustees. A certified duplicate copy of such audit shall be delivered by the Corporation to the Borough Council within four (4) months of the close of the fiscal year of the Corporation. Within five (5) days of delivery of the audit to the Borough Council, the Corporation shall file a certified duplicate copy of such audit with the Director of the Division of Local Government Services of the State of New Jersey Department of Community Affairs.

3. ANNUAL BUDGET: In October of each year, the Corporation shall submit to the Borough Council for the Council's approval a budget for the upcoming fiscal year ("Budget"). The Budget shall be introduced, approved, amended as necessary, and adopted by resolution of the Council upon the affirmative vote of a majority of the members of the Council.

4. BANK ACCOUNTS: The Treasurer or Executive Director may open one (1) or more bank accounts with resolution from Board. The Treasurer, Chair of the Board and the Executive Director shall be authorized signatories on all bank accounts. Any check over $5,000 must be signed by two authorized signatories. No signatory may authorize any check payable to themselves.

ARTICLE VIII
GRANTS AND DONATIONS

The corporation shall be entitled to solicit and receive grants and donations from any organization, foundation, person or governmental agency or entity for use in the furtherance of its exclusive non-profit purposes. No such grant or donation shall accrue with the benefit of any individual trustee, officer or employee of the corporation except as such person may be entitled to compensation for reasonable services rendered on behalf of the corporation.

ARTICLE IX
INDEMNIFICATION

1. Unless otherwise prohibited by law and to the fullest extent permissible by N.J.S.A. 15A:3-4, the Corporation shall indemnify any Trustee or officer (or any former Trustee or officer), and may by resolution of the Board, indemnify any employee or agent, against any and all expenses and liabilities incurred by him or her in connection with any claim, action, suit, or proceeding to which he or she is made a party by reason of being a Trustee, officer, employee or agent, as the case may be. However, there shall be no indemnification in relation to matters as to which he or she shall be adjudged to be

guilty of a criminal offense or liable to the Corporation for damages arising out of his or her own gross negligence in the performance of a duty to the Corporation.

2. Amounts paid in indemnification of expenses and liabilities may include, but shall not be limited to, counsel fees and other fees; costs and disbursements; and judgments, fines, and penalties against, and amounts paid in settlement by, such director, officer, or employee. The Corporation may advance expenses or, where appropriate, may itself undertake the defense of any Trustee, officer, employee or agent, as the case may be. However, such Trustee, officer, employee or agent, as the case may be, shall repay such expenses if it should be ultimately determined that he or she is not entitled to indemnification under this Article.

ARTICLE X
DISSOLUTION

In the event of a liquidation, dissolution, termination, or winding up of the Corporation, whether voluntary, involuntary or by operation of law, the Board shall, after provision for all liabilities, distribute any remaining assets or property of the Corporation for one or more exempt purposes within the meaning of Section 501(c)(3) of the Code to the Borough of Flemington.

ARTICLE XI
SEAL

The seal of the Corporation shall be affixed to the original copy of this document.

ARTICLE XII
CONFLICT OF INTEREST

All transactions with a business in which a Trustee has an interest must be accompanied by a full disclosure of the interest of the Trustee prior to the transaction taking place.

1. PRESERVATION OF EXEMPT STATUS: Notwithstanding any other provision of these Bylaws, no Trustee, officer, employee, or representative of the Corporation shall take any action or carry on any activity by or on behalf of the Corporation which is not permitted to be taken or carried on (i) by an organization exempt from Federal income tax under Section 501(c)(3) of the Code, or (ii) by an organization for which contributions to such organization are deductible under Sections 170, 2055(a)(2), or 2522(a)(2) of the Code.

2. PROHIBITION ON LOBBYING/HOLDING PUBLIC OFFICE: No 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 (including the publishing or distribution of statements) in any political campaign on behalf of any candidate for public office.

3. CONFLICT OF INTEREST POLICY: The Board will have the power to establish a conflict of interest policy, including reporting standards, which every trustee and officer shall adhere to. Once a conflict of Interest policy is enacted, it shall be deemed to have been incorporated into these Bylaws as part of this Article.

ARTICLE XIII
AMENDMENTS

These Bylaws may be amended or repealed by an affirmative vote of two thirds (66%) of the full membership of the Board. Not less than ten (10) days' written notice shall be given to each Trustee of the meeting to amend or repeal any provision of these Bylaws.

ARTICLE XIV
STATUTORY REQUIREMENTS

The Corporation is to serve as the District Management Corporation of the Special Improvement District of the Borough of Flemington, New Jersey. As such, the Corporation shall comply with all of the provisions of N.J.S.A. 40:56-65 to 89, as same shall be

amended and supplemented, including, but not limited to: (a) the inclusion of the Mayor of Flemington or his or her designee on the Board, (b) the approval and adoption of the Corporation's annual budget by the Borough of Flemington, (c) the filing of the annual audit and annual report of the Corporation with the Borough of Flemington, and (d) any Ordinance of the Borough of Flemington adopted under the authority of N.J.S.A. 40:56-65 to 89 governing the Special Improvement District or the Corporation.