

AMENDED AND RESTATED BY-LAWS OF
MORRISTOWN PARTNERS, INC.

Adopted as of _____, 2003

ARTICLE I

1.01 Name. The name of the corporation is Morristown Partners, Inc. (the "Corporation") and shall also be know as the "Morristown Partnership" and such other assumed names as the Board of Trustees shall determine from time to time.

1.02 Offices. The principal office of the Corporation shall be located at such location or locations in Morristown, New Jersey, as the Board of Trustees may hereafter designate from time to time.

ARTICLE II

2.01 Purposes. The purposes and powers of the Corporation are to:

(a) 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 Town of Morristown;

(b) promote and preserve the cultural, historic, tourist and civic interests of the special improvement district and the Town of Morristown;

(c) mobilize available public and private resources for the purposes set forth herein;

(d) 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 interests;

(e) form affiliated corporations, non-profit or for profit, to help carry out its purposes;
and

(f) 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.

2.02 Membership. The members of the Corporation (the "Members"), whose sole right shall be to vote for the Trustees of the Corporation, shall be as follows:

(a) each owner of real estate that is subject to assessment by the Corporation (“Assessed Property”); and

(b) each owner of a business (a “Business”) that is (1) located in Assessed Property, (2) has been operating for twelve (12) consecutive months prior to the Annual Meeting of the Trustees, and (3) has had at least one full time employee during the twelve (12) consecutive months prior to the Annual Meeting of the Trustees; provided, however, that Businesses located in the same Assessed Property that employ any of the same individuals shall be deemed to be the same Business for purposes of this Subsection. Therefore, each Business shall be entitled to only one (1) membership in the Corporation.

2.03 No Transfers of Membership Interests. Membership in the Corporation is not assignable or transferable, in whole or in part.

ARTICLE III

3.01 Board of Trustees. The Board of Trustees shall consist of (i) seventeen (17) regular Trustees (the “Regular Trustees”), (ii) up to two (2) additional Trustees emeritus (the “Trustees Emeritus”) and (iii) up to one (1) additional appointed Trustee (the “Appointed Trustee”). The Regular Trustees, the Trustees Emeritus and the Appointed Trustee shall be referred to collectively herein as the “Trustees”. The policies, activities, and affairs of the Corporation shall be determined and managed by the Board of Trustees 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; provided, however, only Regular Trustees shall (i) have the right to vote and (ii) be included in the calculation of a quorum.

3.02 Term of Office. The Trustees shall be divided into three classes by the President, with five (5) Trustees in the first class, five (5) Trustees in the second class and the balance in the third class. The term of office of the first class shall expire at the second annual meeting of the Corporation after their election; the term of office of the second class shall expire at the third succeeding annual meeting, and the term of office of the third class shall expire at the fourth succeeding annual meeting. Trustees Emeritus shall serve until such time as they are removed in accordance with the terms of these by-laws. Subject to Section 3.04 of these by-laws, an Appointed Trustee shall serve a term of one (1) year from his or her Appointment Date, as defined later in these by-laws. The Board of Trustees shall be comprised of the following:

(a) Fifteen (15) Trustees who are Special Improvement District Voters (as defined later in these by-laws);

(b) One Council person appointed by the Council;

(c) The Mayor of the Town of Morristown or the Mayor’s designee;

- (d) Up to two (2) Trustees Emeritus; and
- (e) Up to one (1) Appointed Trustee.

3.03 Election of Trustees.

(a) Election of Regular Trustees

(i) Regular Trustees shall be elected by plurality vote of Members.

(ii) The annual election of Regular Trustees shall be held in the month of April of each year. The date, time and place of the election of Regular Trustees shall be determined by the Board of Trustees at the Annual Meeting of Trustees and shall be published three (3) times, once in each of three (3) consecutive weeks, in a newspaper of general circulation in Morris County. Such publication requirement shall be completed no later than ten (10) days prior to the scheduled annual election of Trustees.

(iii) Except as otherwise set forth herein, Regular Trustees shall be elected for a term of three (3) years.

(iv) the Members shall vote as follows:

(1) each Member, or his, her or its designee, who is the owner of Assessed Property shall be entitled to one (1) Special Improvement District Vote; and

(2) each Member, or his, her or its designee, who is the owner of a Business shall be entitled to one (1) Special Improvement District Vote.

(b) Nomination of Trustees Emeritus

(i) A Regular Trustee who serves three (3) consecutive terms as President of the Board of Trustees shall be deemed nominated for the position of Trustee Emeritus (a "Nominated Trustee").

(ii) The Corporation shall, no later than sixty (60) days prior to the conclusion of the Nominated Trustee's third (3rd) term as President of the Board of Trustees of the Corporation, notify the Nominated Trustee in writing of his nomination as Trustee Emeritus; provided, however, if a Nominated Trustee serves his third (3rd) term as President of the Board of Trustees during an elected term as a Regular Trustee, which term continues beyond the conclusion of his third (3rd) term as President of the Board of Trustees, the Corporation shall, no later than sixty (60) days prior to the conclusion of the Nominated Trustee's term as Regular Trustee, notify the Nominated Trustee in writing of his nomination as Trustee Emeritus. The Nominated Trustee shall, within thirty (30) days of the date the Nominated Trustee receives from

the Corporation written notice of his appointment as Trustee Emeritus, notify the Board of Trustees in writing whether the Nominated Trustee will accept or reject the nomination for the position of Trustee Emeritus. A Nominated Trustee's failure to provide the Board of Trustees with written notice within the thirty (30) day period shall be deemed a rejection of the nomination.

(iii) There shall be no more than two (2) Trustees Emeritus on the Board of Trustees at any time. If a Regular Trustee is nominated as a Trustee Emeritus at a time when two (2) Trustees Emeritus are already on the Board of Trustees, the Trustee Emeritus who is senior shall be automatically removed and replaced with the newly Nominated Trustee effective the date the term of the Nominated Trustee as Trustee Emeritus commences.

(iv) A Trustee Emeritus shall be entitled to all of the rights and privileges of a Regular Trustee, including the right to vote on any issue presented to the Board of Trustees.

(c) Appointment of Appointed Trustee

(i) If the County of Morris (the "County") makes a commitment to grant (a "Grant") or contribute to the Corporation money in an amount not less than \$20,000 (the "Grant Amount"), then, in return for such evidence of commitment to the Corporation and its goals by the County, the Morris County Board of Chosen Freeholders (the "MCBCF") shall have the option to appoint to the Board of Trustees as an Appointed Trustee a member of the MCBCF. The MCBCF shall appoint an Appointed Trustee within ninety (90) days of the date the commitment for the Grant is formally accepted by the Corporation (the "Appointment Date") and such Appointed Trustee shall serve a term of one (1) year commencing on the Appointment Date.

(ii) If the MCBCF fails to provide the Board of Trustees with written notice of its appointment of an Appointed Trustee within the ninety (90) day period, the MCBCF shall be deemed to have rejected its option to appoint the Appointed Trustee to the Board of Trustees in connection with such Grant.

(iii) There shall be no more than one (1) Appointed Trustee on the Board of Trustees at any time. If the County makes a commitment to Grant to the Corporation an amount equal to or in excess of the Grant Amount at a time when an Appointed Trustee is already on the Board of Trustees, the MCBCF shall not appoint an Appointed Trustee to the Board of Trustees in connection with such Grant.

(iv) An Appointed Trustee shall be entitled to all of the rights and privileges of a Regular Trustee; provided, however, an Appointed Trustee shall not be entitled to vote on any issue presented to the Board of Trustees.

3.04 Removal of Trustees.

(a) At any meeting of the Trustees, duly called and at which a quorum is present, the Regular Trustees may, by a majority vote of the entire Board of Trustees, remove for cause any Trustee from office and may elect a successor to serve for the balance of the term of such removed Trustee;

(b) A Regular Trustee shall be deemed to have been automatically removed from office for cause without further action being necessary on the part of such Regular Trustee or on the part of the Board, in the event that such Regular Trustee fails to attend three (3) consecutive regular meetings of the Board. Following the removal of a Regular Trustee in the manner provided in this paragraph (b), the Secretary of the Corporation shall report such fact to the Board at the meeting of the Board next following the third absence. For purposes of clarification, this paragraph (b) shall not apply to Trustees Emeritus or an Appointed Trustee; or

(c) A Regular Trustee shall be deemed to have been automatically removed from office for cause without further action being necessary on the part of such Regular Trustee or on the part of the Board, in the event that such Regular Trustee fails to attend at least 8 out of 12 of the regular meetings of the Board in any calendar year. Following the removal of a Regular Trustee in the manner provided in this paragraph (c), the Secretary of the Corporation shall report such fact to the Board at the meeting of the Board next following the absence causing the removal. For purposes of clarification, this paragraph (c) shall not apply to Trustees Emeritus or an Appointed Trustee; or

(d) Vacancies occurring in the Board for any reason may be filled by a vote of majority of the Trustees then in office. A Trustee elected to fill a vacancy shall be elected to hold office for the unexpired term of his or her predecessor.

(e) Notwithstanding the provisions of paragraphs 3.04(b) and (c) hereof, upon the removal of a Trustee pursuant to either such provision, the removed Trustee may petition the Board in writing for reinstatement as a Trustee 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 paragraph (e) shall consider each such petition and only upon the affirmative vote of a majority of the Trustees present shall such removed Trustee be reinstated. A reinstated Trustee shall be deemed to have no absences upon such reinstatement.

3.05 Meetings.

(a) The Annual Meeting of the Trustees shall be held in January of each year. The Secretary shall cause to be mailed to each Trustee at his or her address a notice stating the time and place of the Annual Meeting.

(b) Regular meetings of the Board of Trustees shall be held at least four (4) times per year, including the annual meeting in January. The other three dates shall be established by the Board of Trustees at its annual meeting in January. Meetings shall be held at locations and at times chosen by the Trustees at the annual meeting, and no additional notice of place, day and hour of regularly scheduled meetings need be given to any Trustee.

(c) At the initial meeting of the Board of Trustees officers shall be elected to serve until the first annual meeting of the Board. At each annual meeting of the Board of Trustees thereafter, the officers of the Corporation shall be elected.

(d) Officers elected at the respective initial or annual meetings shall take office effective immediately upon election.

(e) Special meetings of the Board of Trustees may be called by the President which meetings need not be open to the public. Notice of the place, day and hour of such special meeting shall be given to each Trustee 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.

(f) Notwithstanding any other provision of these by-laws, all notices and other requirements of the New Jersey Open Public Meeting Act (the Sunshine Law) shall be complied with to the extent such Act applies.

3.06 Quorum. A majority of the full membership of the Board of Trustees, excluding vacancies, shall constitute a quorum for the transaction of business; provided, however, that a majority of the Board of Trustees, when expressed as a fraction, shall have a numerator equal to all Regular Trustees and Trustees Emeritus present at such meeting and a denominator equal to the full membership of Regular Trustees, excluding vacancies. Except in cases in which it is by statute, by the Certificate of Incorporation, or by the By-Laws otherwise provided, 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 Trustees 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 transacted at the meeting as originally notified.

3.07 Compensation. Trustees shall not receive any compensation for their services as such, but by resolution of the Board, individual Trustees may be recompensed for any actual expenditures which may be incurred while engaged in the Corporation's business.

ARTICLE IV

4.01 Committees Generally. By resolution adopted by a majority of the Board, the Board of Trustees 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 of Trustees; the remaining members of such committees may but need not be members of the Board of Trustees. 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.

4.02 Committee Reports. All recommendations by a committee shall be reported in writing to the Board of Trustees.

4.03 Meetings of Committees. Each committee shall meet at the call of the chairman of the committee or any two members of the committee.

4.04 Participation in Committee. In selecting members of committees, the Board shall encourage widespread participating among members of the business community within the special improvement district and other concerned about the purposes of the Morristown Partnership. From time to time, special committees may be named to advise the Board of Trustees on issues on which additional perspective may be required and public meetings may be held to solicit advise from those concerned about the economic well-being of the district.

ARTICLE V

5.01 Executive Officers. By a majority of the full membership of the Board of Trustees at the Annual Meeting, the Board shall elect a President, a Vice President, a Treasurer, and a Secretary from among the Trustees to serve for one year terms. By a majority vote of the full membership of the Board of Trustees, the Board shall appoint other subordinate officers as it may desire either from within or without its membership, also to serve for one year terms. Any two or more of the above mentioned officers, except those of President and Secretary, may be held by the same person provided that no officer shall execute, acknowledge or verify any instrument in more than one capacity.

5.02 President and Vice President of the Board of Trustees.

(a) The President shall preside at all meeting of the Board of Trustees at which he or she shall be present. He or she shall have and may exercise such powers as are from time to time assigned to him or her by the Board of Trustees.

(b) The Vice President, at the request of the President or in his or her absence, or during his or her inability to act, shall perform the duties and exercise the functions of the President, and when so acting shall have the powers of the President. The Vice President shall have such other duties as may be assigned to him or her by the President.

(c) The President shall have general charge and supervision of the activities and affairs of the Corporation; when authorized by the Board of Trustees, he or she 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 to some other officer or agent of the Corporation.

5.03 Chief Executive Officer. The President shall be the Chief Executive Officer of the Corporation. He or she shall perform all duties incident to the office of a chief executive of a Corporation and such other duties as, from time to time, may be assigned to him by the Board of Trustees.

5.04 Secretary. The Secretary shall keep the minutes of the meetings of the Board of Trustees in books provided for the purpose; he or she shall see that all notices are duly given in accordance with the provisions of the By-Laws or as required by law; he or she shall be custodian of the records of the Corporation; he or she shall see that the corporate seal is affixed 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; and, in general, he or she shall perform all duties as, from time to time, may be assigned to him or to her by the Board of Trustees or the President.

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 selected by the Board of Trustees. Whenever requested, he or she 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 or to her by the Board of Trustees or the President.

5.06 Subordinate Officers. The Board of Trustees may from time to time appoint such subordinate officers as it may deem desirable in the manner provided herein. Each such officer shall perform such duties as the Board of Trustees or the President may prescribe.

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

ARTICLE VI

6.01 Checks, Drafts, Etc. All checks, drafts and orders for the payment of money, notes and other evidence of indebtedness, issued in the name of the Corporation, shall be signed by

such of the officers and/or trustees as may from time to time be provided by resolution of the Board of Trustees.

6.02 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 at a regular meeting of the Trustees and filed immediately thereafter at the principal office of the Corporation. Such statement shall be prepared by the President or such other executive officer of the Corporation as may be designated by the Board of Trustees.

Within thirty (30) days after the close of each fiscal year, there shall be filed with the Mayor and Clerk of the Town of Morristown an annual written report for the preceding fiscal year.

6.03 Fiscal Year. The fiscal year of the Corporation shall be the year ending December 31st, unless otherwise provided by the Board of Trustees, by resolution.

6.04 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 Internal Revenue Code of 1986, as amended (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.

ARTICLE VII

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

7.02 Bonds. The Board of Trustees 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 of Trustees.

7.03 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 Trustees, 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 date of the meeting when the motions will be introduced has been forwarded to every member of the Board of Trustees by certified mail. Provided the above said motion is duly seconded, the President shall fix and announce a subsequent meeting date within a reasonable number of days when the motion shall be brought to a vote. An affirmative vote of a majority of the entire Board of Trustees 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.

7.04 Contracts and Service. The members, Trustees 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, Trustee or officer is personally interested as a stockholder, trustee, director, or otherwise must be disclosed to the Trustees, 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 trustees 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 trustees present and voting.

ARTICLE VIII

8.01 Indemnification.

(a) Indemnification of any person who is a trustee, 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.

(b) 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.

8.02 Exculpation. Unless acting in bad faith, neither the Board as a body nor any Trustee, 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 Trustees, officers and corporate agents. However, nothing contained herein shall be construed so as to exculpate Trustees, or any of them, from discharging their fiduciary responsibilities.

8.03 Interpretation. This Article 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 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 shall be made, and shall be heard and decided by the Board of Trustees, in accordance with the applicable terms of N.J.S.A. 15A:3-4.