

HIGHLANDS DEVELOPMENT CREDIT BANK

BYLAWS

Adopted: March 5, 2009

ARTICLE I – Credit Bank Establishment and Purpose

1. The Highlands Development Credit Bank (“Bank”) has been established by resolution of the Highlands Water Protection and Planning Council (“Highlands Council”), pursuant to Section 13 of the Highlands Water Protection and Planning Act (P.L.2004, c.120, N.J.S.A. 13:20-13.i(1), “Highlands Act”) for the purpose of assisting the Highlands Council in the implementation of the Highlands Transfer of Development Rights (“TDR”) Program in order to promote both the preservation of the resources of the Highlands Region, and goals, policies, and objectives of the Highlands Regional Master Plan.
2. The powers of the Bank are:
 - a. To assist in the implementation of the Highlands Act, in accordance with Section 13 of the Act consistent with the goals, policies, and objectives of the Highlands Regional Master Plan;
 - b. To purchase Highlands Development Credits (“HDCs”) to further the objectives of the Highlands Act consistent with the goals, policies, and objectives of the Highlands Regional Master Plan;
 - c. To sell, exchange, convey, or retire any HDC which is purchased or otherwise acquired pursuant to the provisions of these by-laws, the Highlands Act, the State Transfer of Development Rights Act, N.J.S.A. 40:55D-137 et seq., and the Highlands Regional Master Plan;
 - d. To issue Highlands Development Credit Certificates for all HDCs allocated pursuant to the Highlands Regional Master Plan;
 - e. To establish and maintain a Registry of HDCs;
 - f. To adopt, amend, or repeal suitable by-laws, rules and regulations, and policies for the operation and management of Bank affairs;
 - g. To perform other functions as provided by law.

ARTICLE II – Membership; Officers; Executive Director; Duties

1. The Bank shall be governed by a board of directors comprised of those members as established by resolution of the Highlands Council. As initially resolved, the Highlands Council created the Bank to be governed by a nine member Board of Directors (“Board”). The Chairperson of the Highlands Council shall serve as a member and shall act as supervisor of the Executive Director. In addition to the Chairperson, the Board shall be comprised of the following eight persons or their designees, where appropriate, who shall be appointed by the Chairperson of the Highlands Council:
 - a. Two members of the Highlands Council;

- b. Member of the State TDR Bank or the Bank's Executive Director;
 - c. Member of the Garden State Preservation Trust or the Trust's Executive Director;
 - d. Member of the general public who shall have expertise in land development and redevelopment;
 - e. Member of the general public who shall have expertise in land conservation and stewardship;
 - f. Member of the general public who shall have expertise in banking, finance or land economics; and
 - g. Member of the general public who shall be a farmer actively engaged in agriculture in the Highlands Region.
2. The members of the Board shall serve for terms of five years and each member shall serve for the term of the appointment and until a successor shall have been appointed. Any vacancy shall be filled in the same manner as the original appointment for the unexpired term only. Any member of the Board may be removed by the Highlands Council, for cause, after a public hearing. The members of the Board shall serve without compensation, but the Bank may, within the limits of funds appropriated or otherwise made available for such purposes, reimburse its members for necessary expenses incurred in the discharge of their official duties;
3. The Highlands Council shall appoint one member of the Board to serve as Chairperson.
4. The Chairperson shall:
- a. Preside at all meetings of the Board;
 - b. Rule on all questions of order;
 - c. Create committees and appoint Board members to committees and designate the chairpersons thereof;
 - d. Sign all resolutions adopted by the Board, and any other legal document or instrument approved by the Board;
 - e. In the absence of the Treasurer, review and authorize the signing of checks for payments by the Bank;
 - f. Submit such recommendations and information as deemed necessary concerning the business, duties, and offices of the Bank; and
 - g. Have such other duties and powers as conferred by these by-laws, or by any resolution adopted by the Board.

5. A Vice Chairperson may be elected by a majority vote of the Board, and shall possess such powers and shall perform such duties as may be assigned from time to time by the Board, and in the absence or incapacity of the Chairperson, shall assume and perform all duties and powers of the Chairperson.
6. A Treasurer shall be elected by a majority vote of the Board, and shall possess such powers and shall perform such duties as may be assigned from time to time by the Board. The Treasurer shall monitor the Bank's financial status and periodically report such status at Board meetings. The Treasurer shall review proposed disbursements, with the exception of regularly scheduled disbursements, prior to authorizing the Executive Director to sign checks for payments of the Bank. In the absence of the Chair and Vice-Chair, the Treasurer shall preside at all Board meetings.
7. The Executive Director of the Highlands Council shall serve as the administrative officer of the Bank have all duties and powers as conferred by these by-laws, or by any resolution adopted by the Board. The Executive Director shall implement the policies and decisions of the Board and shall administer the operations, office(s) and administrative staff. In the event the Office of Executive Director is vacant, the Deputy Executive Director shall fill the office until such time as the Council appoints a new Executive Director. The Executive Director shall have the following administrative duties:
 - a. Promote, remove, discipline and supervise employees in accordance with written personnel policies established by the Highlands Council, which employees shall serve as staff of the Bank;
 - b. Supervise and direct the internal organization and reorganization of the staff of the Bank;
 - c. Assign functions and duties to any member of the staff, and modify such assignments as needed;
 - d. Administer the affairs of the Bank and the Board for the efficient, orderly, and economical administration of all the administrative and executive affairs of the Bank;
 - e. Supervise, consistent with New Jersey statutes respecting purchasing, the procedures for procurement of all supplies, materials, and equipment requested by the Board;
 - f. Contract for, issue purchase orders for and approve payments for goods and services up to \$25,000. For payments over \$25,000, prior approval of the Board shall be required. The Executive Director shall periodically provide a report to the Board on all new contracts, purchase orders and payments over \$10,000 and any such expenditures anticipated for the following month;
 - g. Sign checks for all payments by the Bank or Board, subject to the policies of the Board;
 - h. Serve as Secretary to the Board, and in that capacity:
 - i. Attend all meetings of the Board and act as Secretary thereof, and record all notes and shall keep a record of the proceedings at all meetings of the Board,

which shall be open at all reasonable times to inspection by any member of the Board or member of the public;

- ii. Cause a true copy of the minutes of every meeting to be prepared and delivered to the members of the Board;
 - iii. Maintain records of the Bank's transactions, communications, and proceedings, and such records shall be open at all reasonable times to inspection by any member of the Board;
 - iv. Keep in safe custody the seal of the Bank and shall affix such seal to all papers authorized to be executed by the Board requiring such seal be affixed; and
 - v. Cause copies to be made of all minutes, resolutions, and other records and documents of the Board, and give HDC Certificates under the seal of the Bank to the effect that such copies are true copies and all persons dealing with the Bank may rely on such HDC Certificates.
- i. Serve at the pleasure of the Highlands Council on terms recommended by the Chair and approved by the Council; and
 - j. Perform such other duties as are incident to his/her office as may be assigned from time to time by the Board.

ARTICLE III – Organization; Meetings

1. The Bank shall operate in accordance with the Highlands Act and with provisions of general law authorizing the creation of development transfer banks by municipalities and counties and its activities shall be consistent with the goals, policies and objectives of the Highlands Regional Master Plan.
2. The Board shall meet as often as necessary to carry out its function. Meetings shall be conducted at a time and place designated by the Chairperson, or by a majority of the Board.
3. Regular meetings of the Board shall be held at a time and place to be designated by the Board. The Board shall establish and publicize an annual meeting schedule that it may modify with appropriate advance public notice given pursuant to the Open Public Meetings Act. Adequate notice as defined under the Open Public Meeting Act shall be provided for all regular meetings of the Board, including sending notice to the official newspapers designated by resolution of the Highlands Council.
4. Special meetings of the Board may be called at any time by the Chairperson. Upon request from any member of the Board, the Chairperson shall poll the members for the purpose of determining if a special meeting should be held, and shall schedule the meeting if a majority so desires. The Chairperson may fix the time and place for any special meeting. The Executive Director shall provide notice of the meeting in accordance with the Open Public Meetings Act. The Chairperson may call emergency meetings at any time as provided for in the Open Public Meetings Act.

5. To the extent consistent with these by-laws, the conduct of meetings shall be governed by Robert's Rules of Order.
6. An agenda for each meeting shall be prepared after consultation with the Chairperson. Copies of the agenda shall be provided to each Board member five business days prior to the date of the meeting to the extent practicable.
7. The agenda shall be generally structured as follows:
 - a. Reading of Open Public Meetings Act statement
 - b. Roll Call
 - c. Pledge of Allegiance
 - d. Approval of Minutes
 - e. Reports
 - f. Action, Motions and Resolutions
 - g. Other Items of Interest
 - h. Public Comments
 - i. Executive Session
 - j. Adjournment

An Executive Session of the Board may be held for reasons authorized by the Open Public Meetings Act.

8. Business may be conducted if a quorum of the Board is present at a meeting. Any Board member who participates by speaker phone or teleconference shall be considered present for purposes of conducting Bank business. A majority of the authorized membership (i.e., five members) shall constitute a quorum.
9. Each Board member shall be entitled to one vote. Votes may be cast only by members who are present at the meeting, or who participate by speaker phone or teleconference, as set forth above. No designee of any Board member, except for a designee appointed by the member of the State TDR Bank or the State TDR Bank's Executive Director, or a designee appointed by the member of the Garden State Preservation Trust or the Trust's Executive Director, shall exercise any power to vote on any matter pending before the Board.
10. The affirmative vote of a majority of the total authorized membership (i.e., five votes) shall be necessary for the Board to take any action or conduct any business.
11. The minutes of each meeting, and any corrections thereof truly adopted, shall be kept in the Board's principal office. A true copy of the Board's meeting minutes shall be prepared and forthwith delivered to the Highlands Council. The meeting minutes shall be deemed approved if no affirmative action of the Highlands Council disapproving the meeting minutes is taken at the Highlands Council's next subsequent meeting following deliverance of the Board's meeting minutes. No action taken at such meetings by the Board shall have effect until the Highlands Council's period of review has expired.

12. Any monies allocated or appropriated to the Bank, whether from the State or another source, shall be held in an account separate and apart from any Highlands Council monies; such monies may only be used for the purposes of acquiring Highlands Development Credits or administering operations of the Bank.

ARTICLE IV – Voting

No member of the Board shall vote on any matter in which he or she has an interest as set forth by the New Jersey Conflicts of Interest Law, N.J.S.A. 52:13D-12 et seq. and the State Uniform Code of the Ethics.

ARTICLE V – Examination

The Board shall authorize an annual examination of the Bank’s financial affairs, to be conducted by an independent auditor selected by the Board consistent with the requirements of State law.

ARTICLE VI – Amendments

These by-laws may be amended, repealed or added to by the Board, as necessary, and, in its discretion, at any meeting by a majority vote of the Board. No amendment, repeal, or addition to these by-laws may be considered by the Board unless notice of the same is given in writing, and mailed or delivered personally to each member of the Board at his or her residence or office at least ten (10) State working days in advance of the meeting at which the motion to adopt the amendment, repeal or addition is to be presented.

ARTICLE VII – Severability

The provisions hereof shall be deemed independent and severable, and the invalidity, partial invalidity or unenforceability of any one provision or portion shall not affect the validity or enforceability of any other provision or portion hereof.