

**BYLAWS OF THE PECONIC SOUTHOLD CIVIC ASSOCIATION
A NOT-FOR-PROFIT CORPORATION**

DATED JUNE 9, 2022

ARTICLE I: NAME

The name of this Association shall be the PECONIC SOUTHOLD CIVIC ASSOCIATION INC.

ARTICLE II: GEOGRAPHIC AREA

Southold and Peconic as used in this document refer to the hamlets of Southold and Peconic in the Town of Southold, NY.

ARTICLE III: PURPOSE

The mission of the Peconic Southold Civic Association is to protect and enhance the unique hamlets of Southold and Peconic by ensuring that community members are well informed and have an active voice about issues that may affect them. The Association shall provide forums to educate, discuss and act upon topics that are important to community members.

ARTICLE IV: MEMBERSHIP

SECTION 1 · There shall be three classes of full voting membership: (1) individual, (2) household and (3) business. Individual and business memberships are open to only one person per membership, while a household membership is open to two or more persons (up to a total of six people) living in the same household located in Southold or Peconic. A household membership entitles the household to the privileges of individual membership for each member of the household (up to a total of six people). Voting privileges are extended to each individual or household member who has reached the age of 18.

SECTION 2 · Membership shall be open to all persons who own or rent property (which rental must be for four weeks or more per year), or own a business, in Southold or Peconic.

SECTION 3 The amount required for annual dues shall be \$30 each year (or \$500 for a lifetime) for individual membership, \$50 each year (or \$800 for a lifetime) for household membership, \$50 each year (or \$800 for a lifetime) for business membership and \$15 each year for Friend membership, unless changed by a majority vote of the members in attendance at an annual meeting of the membership. Dues may, on occasion, be paid by donation of comparable products or services to the Association, by prior approval of the Officers of the Association. Membership dues will not be pro-rated.

SECTION 4 · Any person who qualifies for membership as stated above in Art. IV, Sec. 2, shall be deemed a member in good standing and entitled to full membership privileges (e.g. eligible to vote and hold office) if they have submitted an Application for Membership form (attached as Exhibit A) and paid in full the annual dues. Full membership privileges are available from the date of payment of the annual dues until the next May 31st; except in the spring of 2022, full membership privileges are available from the date of payment of the annual dues until May 31st, 2023.

SECTION 5 There shall be two classes of non-voting membership: (1) Youth and (2) Friend. Any young person up to the age of 18 may acquire a Youth membership in the Association by submitting an Application for Membership form. Any person may acquire a Friend Membership in the Association upon full payment of the annual dues and submission of an Application for Membership form, by a majority vote of the Membership at a regularly scheduled meeting. Youth and Friend memberships entitle the person to participation in Association events. Youth and Friend memberships do not, however, include voting rights.

ARTICLE V: BOARD OF DIRECTORS

SECTION 1 · The Board of Directors is the governing body of the Association and shall consist of seven members. Commencing in June 2022, and continuing every June in even-numbered years thereafter, four members of the Board shall be elected by ballot at the Annual Meeting to serve for a term of two years. Also in June 2022, three members of the Board shall be elected by ballot at the Annual Meeting to serve for a term of one year; and then starting in June 2023 and continuing every June in odd-numbered years thereafter, three members of the Board shall be elected by ballot at the Annual Meeting to serve for a term of two years. Board members elected at an Annual Meeting shall take office immediately following the final counting of the votes.

SECTION 2 · The election of members of the Board of Directors shall be by a 60% or more vote of the members in good standing who vote in person, and such members must have been members in good standing prior to the meeting at which such election shall occur. To encourage maximum member participation, the election shall include “extended hours” which will include at least two hours on the Saturday following the first part of the election; unless the election is uncontested, in which case there is no need for such “extended hours”.

SECTION 3 · There is no limit on the number of terms a member may be elected to serve on the Board of Directors of the Association.

SECTION 4 · Each year at its first Board meeting after the Annual Meeting, the Board of Directors shall elect by ballot its Officers: a President, Vice President, Treasurer and Secretary (or Co-Secretaries). The Board shall also elect chair people of any and all standing and special committees and may, at its discretion, establish new committees when necessary. It may engage the services of such other persons as are required.

SECTION 5 · The Board of Directors shall hear reports and recommendations from committees, discuss issues of concern to the Association and take action on them. The Board shall prepare resolutions for discussion at general membership meetings.

SECTION 6 · It shall be the duty of the President (or in his/her absence, the Vice President) to represent the Association in all official communications with Federal, State, County and Town authorities. In addition, the Board of Directors may appoint/hire other people to represent the Association on specific topics in official communications with Federal, State, County and Town authorities.

SECTION 7 · Directors shall not be compensated for services on behalf of the Association, but the Board of Directors may provide for reimbursement of the expenses of the Directors.

SECTION 8 · Vacancies in office occurring between annual meetings shall be filled by a majority vote of the remaining members of the Board. Those so elected shall serve until the next Annual Meeting and shall be eligible for any office for the regular two terms.

SECTION 9 · Any member of the Board may resign at any time by giving written notice of resignation to the President. Unless otherwise specified therein, such resignation shall take effect upon receipt thereof.

SECTION 10 · At any meeting of the Board duly called, any Officer or Director may be removed with or without cause by a vote of two-thirds of the entire Board.

ARTICLE VI: OFFICERS

SECTION 1 · The elected offices of the Association shall be President, Vice President, Secretary (or Co-Secretaries) and Treasurer.

The duties of the officers shall be as follows:

- A. The President shall preside at all meetings of the Association and the Board of Directors.
- B. The Vice President shall preside at all meetings from which the President is absent.
- C. In the event of the absence of the President and Vice President, from any meeting, the members of the Board of Directors shall select a chairperson to preside at such meeting.
- D. The Secretary shall assure there is a record of all meetings of the Board of Directors. The Secretary shall issue notice of all meetings and, with the concurrence of the President, correspondence of the Association.

E. The Treasurer shall collect and under the direction of the Board of Directors disperse all funds of the Association.

The Treasurer shall keep regular accounts in books of the Association, which shall be open at all times to inspection by any member of the Board of Directors. At each meeting of the Board of Directors, the Treasurer shall report the balance of money on hand and any pending income and expenses.

At the Annual Meeting the Treasurer shall make a full report of all receipts and disbursements for the fiscal year ending April preceding the annual meeting, and all outstanding obligations of the Association. The accounts shall be audited annually by an Auditing Committee to be appointed by the Board of Directors.

SECTION 2 · The officers shall serve for a period of one year. After serving two consecutive terms, no officer may be re-elected to that office until after the expiration of one intervening year.

SECTION 3 The duties of the officers shall not be limited as enumerated above, but they may discharge in addition such duties as are assigned by the Association Membership.

SECTION 4 · Officers shall not be compensated for services on behalf of the Association in those capacities, but the Board may provide for reimbursement of the expenses of the Officers.

ARTICLE VII: COMMITTEES

SECTION 1 · The Association has three standing committees essential to its operations which act under the direction of the Board of Directors: Government/Action, Membership and Communications. The Government/Action Committee stays informed on issues of concern to Southold and Peconic and brings to the board and membership proposals for action, when needed. The Membership Committee is responsible for membership recruitment and retention. The Communications Committee is responsible for communications from the Association to the membership and to the Southold and Peconic communities.

SECTION 2 · The Board of Directors may form other committees to address specific matters or projects. Such committees may include, but are not limited to: History, Community Outreach, Hospitality, Fundraising and other event or issue-specific committees.

ARTICLE VIII: BOARD OF DIRECTORS MEETINGS AND QUORUMS

SECTION 1 · Regular open meetings of the Board of Directors shall be held once a month. Representatives of the committees shall report at these meetings. All members of the Association are welcome to attend. Once a firm date, time and place have been publicized to all the members, no further notice shall be required.

SECTION 2 · At the meetings of the Board of Directors, a quorum shall consist of a majority of the Board of Directors. With at least 24 hours advance notice to the President, a Director may participate virtually. Action may be taken with a majority vote of the Directors present (either in person or virtually) and voting. The President will not vote except to break a tie.

SECTION 3 · A special meeting of the Board of Directors may be called at any time by the President, upon a request from a majority of the Board of Directors.

SECTION 4 · Three unexcused absences within one year from Board of Directors meetings by any Director shall be deemed a resignation. An excused absence may be granted by the President or the Vice President.

ARTICLE IX: MEMBERSHIP MEETINGS AND QUORUMS

SECTION 1 · At a general meeting of the Association, action may be taken with a 60% or more vote of the members present and voting. Such members must have been members in good standing prior to the meeting at which such vote shall occur. To encourage maximum member participation on votes of significant importance to the members, members present and voting may vote to expand the vote to “extended hours” which will include at least two hours on the Saturday following the vote, at which point action may be taken with a 60% or more vote of the members who voted in person, both at the membership meeting and during the extended hours.

SECTION 2 No member or members of the Board of Directors or of the Association at large shall act on behalf of the Association without such majority vote on new policy positions or new issues. Nothing in this section shall prevent a majority of the Board of Directors from raising questions or concerns about issues relating to the interests of the Southold and Peconic communities when the need for immediate response prevents a matter from being brought before the full membership. Copies of any such written position shall be promptly made available to all members.

SECTION 3 · There shall be an Annual Meeting of the members, which shall take place during the month of June. A minimum of five additional general membership meetings shall be held annually. Additional meetings will be called by the Board of Directors as needed.

SECTION 4 A written or printed notice of each meeting of the members, stating the place, day, and hour of the meeting, shall be given by the Secretary of the Association, or by the person authorized to call the meeting, to each member in good standing. This notice shall be given at least seven (7) days before the date named for the meeting.

SECTION 5 · The President shall report to the members at the annual meeting on the state of the organization, and the Treasurer shall report on the Association’s income and expenditures during the previous fiscal year.

SECTION 6 · A special meeting of the membership must be called by the Board of Directors upon receipt of a request for such a meeting signed by at least twenty percent of the members in good standing.

ARTICLE X: CONFLICT OF INTEREST POLICY

Any potential conflict of interest which could result in a direct or indirect financial or personal benefit to a director, officer or committee member must be disclosed on good faith or made known to the Board, and must be resolved pursuant to the Conflict of Interest and Compensation Policy adopted by the Association (which is annexed to these as Exhibit B, and shall be referred to as the “Conflict of Interest Policy”).

ARTICLE XI: AMENDMENTS

These Bylaws may be amended at any general meeting of the membership by a two-thirds majority vote of the members present, provided that the proposed amendment(s) have been submitted to the Board of Directors for consideration at least three weeks prior to the meeting, and further provided that written notice of such proposed amendment(s) and of the meeting shall have been given to the entire membership at least one week prior to the meeting.

ARTICLE XII: TERMINATION

Upon dissolution of the Association, the Board of Directors shall, after paying or making provision for the payment of all the liabilities of the Association, dispose of all the assets of the Association as shall at the time qualify as an exempt organization under section 501c(4) of the Internal Revenue Code or as otherwise required by the Articles of Incorporation.

Executed by:

President (Interim Acting)

Vice President (Interim Acting)

Secretary (Interim Acting)

Exhibit A

Application for Membership in the Peconic Southold Civic Association

Exhibit B

Conflict of Interest and Compensation Policy of the Peconic Southold Civic Association Inc. ("the Association")

Adopted by the Board of Directors on May 12, 2022

I. Overview

1. Purpose

The purpose of this Conflict of Interest and Compensation Policy (the "policy") is to protect the Association's interests when it is considering taking an action or entering into a transaction that might benefit the private interests of a director, officer or **key person**¹, result in the payment of excessive compensation to a director, officer or key person; or otherwise violate state and federal laws governing conflicts of interest applicable to nonprofit, charitable organizations.

2. Why is a policy necessary?

As a nonprofit, charitable organization, the Association is accountable to both government agencies and members of the public for responsible and proper use of its resources. Directors, officers and employees have a duty to act in the Association's best interests and may not use their positions for their own financial or personal benefit.

Conflicts of interest must be taken very seriously since they can damage the Association's reputation and expose both the Association and affiliated individuals to legal liability if not handled appropriately. Even the appearance of a conflict of interest should be avoided, as it could undermine public support for the Association.

3. To whom does the policy apply?

This policy applies to all directors, officers and key persons ("you")².

II. Identifying Conflicts of Interest

1. What is a conflict of interest?

A potential conflict of interest arises when a director, officer or key person, or that

¹ **Key person** means a person, other than a director or officer, whether or not an employee of the Association, who:

- a) has responsibilities, or exercises powers or influence over the Association as a whole similar to the responsibilities, powers, or influence of directors and officers;
- b) manages the Association, or a segment of the Association that represents a substantial portion of the activities, assets, income, or expenses of the Association; or
- c) alone or with others controls or determines a substantial portion of the Association's capital expenditures or operating budget.

² Organizations may choose to make the policy applicable to all of their employees, not just key persons.

person's **relative**³ or business (a) stands to gain a financial benefit from an action the Association takes or a transaction into which the Association enters; or (b) has another interest that impairs, or could be seen to impair, the independence or objectivity of the director, officer or key person in discharging their duties to the Association.

2. **What are some examples of potential conflicts of interest?**

It is impossible to list all the possible circumstances that could present conflicts of interest. Potential conflicts of interest include situations in which a director, officer or key person or that person's relative or business:

- has an ownership or investment interest in any third party that the Association deals with or is considering dealing with;
- serves on the board of, participates in the management of, or is otherwise employed by or volunteers with any third party that the Association deals with or is considering dealing with;
- receives or may receive compensation or other benefits in connection with a transaction into which the Association enters;
- receives or may receive personal gifts or loans from third parties dealing with the Association;
- serves on the board of directors of another nonprofit organization that is competing with the Association for a grant or contract;
- has a close personal or business relationship with a participant in a transaction being considered by the Association;
- would like to pursue a transaction being considered by the Association for their personal benefit.

3. In situations where you are uncertain, err on the side of caution and disclose the potential conflict as set forth in Section III of this policy.

4. **A potential conflict is not necessarily a conflict of interest.** A person has a conflict of interest only if the Association's Board of Directors (the "Board") decides, pursuant to Section IV of this policy, that a conflict of interest exists.

III. **Disclosing Potential Conflicts of Interest**

1. You must disclose to the best of your knowledge all potential conflicts of interest as soon as you become aware of them and always before any actions involving the potential conflict are taken. Submit a signed, written statement disclosing all the material facts to the Board.
2. You must file an annual disclosure statement in the form attached to this policy. **If you are a director**, you must also file this statement prior to attending your first meeting of the Association's Board of Directors. Submit the form to the President of the Board.

IV. **Determining Whether a Conflict of Interest Exists**

³ **Relative** means a person's spouse or domestic partner, ancestors, brothers and sisters (whether whole or half- blood), children (whether natural or adopted), grandchildren, great-grandchildren, and spouses or domestic partners of brothers, sisters, children, grandchildren and great-grandchildren.

1. After there has been disclosure of a potential conflict and after gathering any relevant information from the concerned director, officer or key person, the Board shall determine whether there is a conflict of interest. The director, officer or key person shall not be present for deliberation or vote on the matter and must not attempt to influence improperly the determination of whether a conflict of interest exists.
2. In determining whether a conflict of interest exists, the Board shall consider whether the potential conflict of interest would cause a transaction entered into by the Association to raise questions of bias, inappropriate use of the Association's assets, or any other impropriety.
3. A conflict always exists in the case of a **related party transaction** – a transaction, agreement or other arrangement in which a **related party**⁴ has a financial interest and in which the Association or any affiliate of the Association is a participant.⁵

V. **Procedures for Addressing a Conflict of Interest**

1. When a matter involving a conflict of interest comes before the Board, the Board may seek information from the director, officer or key person with the conflict prior to beginning deliberation and reaching a decision on the matter. However, a conflicted person shall not be present during the discussion or vote on the matter and must not attempt to influence improperly the deliberation or vote.
2. **Additional Procedures for Addressing Related Party Transactions**
 - a. The Association may not enter into a related party transaction unless, after good faith disclosure of the material facts by the director, officer or key person, the Board or a committee authorized by the Board determines that the transaction is fair, reasonable and in the Association's best interest at the time of such determination.
 - b. If the related party has a substantial financial interest, the Board or authorized committee shall:

⁴ A **related party** is:

1. a director, officer or key person of the Association or any affiliate of the Association, or
2. a relative of any individual described in (1), or
3. an entity in which any individual described in (1) or (2) has an ownership or beneficial interest of 35% or more, or in the case of a partnership or professional Association, a direct or indirect ownership interest in excess of 5%.

⁵ A transaction is not a related party transaction if:

1. the transaction, or the related party's financial interest in the transaction, is *de minimis*;
2. the transaction would not customarily be reviewed by the board or the boards of similar organizations in the ordinary course of business and is available to others on the same or similar terms;
3. the transaction constitutes a benefit provided to a related party solely as a member of a class of the beneficiaries that the Association intends to benefit as part of the accomplishment of its mission (and that benefit is available to all similarly situated members of the same class on the same terms).

- i. prior to entering into the transaction, consider alternative transactions to the extent available;
- ii. approve the transaction by a vote of not less than a majority of the directors present at the meeting; and
- iii. contemporaneously document in writing the basis for its approval, including its consideration of any alternative transactions.

VI. Minutes and Documentation

The minutes of any Board meeting at which a matter involving a conflict of interest or potential conflict of interest was discussed or voted upon shall include:

- a. the name of the interested party and the nature of the interest;
- b. the decision as to whether the interest presented a conflict of interest;
- c. any alternatives to a proposed contract or transaction considered by the Board; and
- d. if the transaction was approved, the basis for the approval.

VII. Prohibited Acts

The Association shall not make a loan to any director or officer.

VIII. Procedures for Determining Compensation

1. No person shall be present for or participate in Board or committee discussion or vote pertaining to:
 - a. their own compensation;
 - b. the compensation of their relative;
 - c. the compensation of any person who is in a position to direct or control them in an employment relationship;
 - d. the compensation of any person who is in a position to directly affect their financial interests; or
 - e. any other compensation decision from which the person stands to benefit.
2. In the case of compensation of Key Persons, the following additional procedures apply:
 - a. The Board or a committee authorized by the Board shall approve compensation before it is paid.
 - b. The Board or authorized committee shall base approval of compensation on appropriate data, including compensation paid by comparable organizations (three are sufficient if the Association's income is less than \$1,000,000) for functionally similar positions, availability of similar services in the geographic area of the Association, and compensation surveys compiled by independent firms.

- c. The Board or authorized committee shall contemporaneously document:
 - i. the terms of compensation and date of determination;
 - ii. the members of the Board or committee who were present and those who voted for it;
 - iii. the comparability data relied on and how it was obtained;
 - iv. if the compensation is higher or lower than the range of comparable data, the basis for the determination, and;
 - v. any actions with respect to consideration of the compensation by anyone on the Board or committee who had a conflict of interest with respect to the matter.

**THE PECONIC SOUTHDOLD CIVIC ASSOCIATION INC.
Conflict of Interest Disclosure Statement**

By signing below, I affirm that:

1. I have received and read a copy of the Conflict of Interest and Compensation Policy;
2. I agree to comply with the policy;
3. I have no actual or potential conflicts as defined by the policy or if I have, I have previously disclosed them as required by the policy or am disclosing them below.

Disclose here, to the best of your knowledge:

1. any entity in which you participate (as a director, officer, employee, owner, or member) with which the Association has a relationship;
2. any transaction in which the Association is a participant as to which you might have a conflicting interest; and
3. any other situation which may pose a conflict of interest.

Name:

Position:

Signature:

Date: