

BY-LAWS OF THE PECONIC SOUTHOLD CIVIC ASSOCIATION INC
A NOT-FOR-PROFIT CORPORATION
AMENDED AS OF SEPTEMBER 6, 2025

ARTICLE I: NAME

The name of this corporation shall be the PECONIC SOUTHOLD CIVIC ASSOCIATION INC. which is hereinafter referred to in these By-laws as “the Association”.

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 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 in the Association: (1) individual, (2) household and (3) business. Individual and business memberships are open to only one individual per membership, while a household membership is open to two or more individuals (up to a total of six individuals) living in the same household located in the hamlets of 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 individuals) but voting privileges for a household membership are extended to not more than four household members who have reached the age of 18.

SECTION 2 • Voting membership in the Association shall be open to all persons who own real property, or who reside in, or who own a business, in the hamlets of Southold or Peconic.

SECTION 3 The amount required for annual dues shall be determined annually by the Board of Directors. Membership dues shall not be pro-rated for a partial year.

SECTION 4 • Any individual 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 to hold office) if he or she shall have submitted an Application for Membership form in the form promulgated by the Board of Directors and shall have paid in full the annual dues for the then current year. Full membership privileges are available from the date of payment of the annual dues until the expiration of twelve months after payment.

SECTION 5 There shall be two classes of non-voting membership: (1) Youth membership and (2) Friend membership. Any individual who has not yet reached the age of 18 may acquire a Youth membership in the Association by submitting an Application for Membership form. Any person who does not qualify under Art. IV, Sec. 2 may acquire a Friend Membership in the Association upon full payment of the annual dues and submission of an Application for Membership form and upon approval of the Application for Membership by a majority vote of the Board of Directors 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 not less than seven Directors and not more than nine Directors of the Association, as may be determined by the Board of Directors. All candidates for the Board of Directors must be in good standing as of the date of the election of Directors, as determined by the Board of Directors. In even-numbered years, at least four members of the Board of Directors shall be elected by ballot at the Annual Meeting to serve for a term of two years and at least three members of the Board of Directors shall be elected by ballot at the Annual Meeting to serve for a term of one year. In odd-numbered years, three members of the Board of Directors 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 each of the members of the Board of Directors shall be by a majority vote of the members in good standing (as determined by the Board of Directors) who vote in person (or as otherwise determined by the Board of Directors in the event of a video-only meeting or hybrid meeting), and such members must have been members in good standing prior to the meeting at which such election shall occur.

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

SECTION 4 • Each year at its first Board meeting after the Annual Meeting, members of the Board of Directors shall elect by ballot its officers: a President, Vice President, Treasurer and Secretary. The members of the Board of Directors, in its discretion, may also elect co-officers. The Board shall also elect chairpersons 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 all committees, discuss issues of concern to the Association and may take appropriate action on such issues of concern. 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 expenses incurred on behalf of the Association by any of the Directors.

SECTION 8 • Vacancies on the Board of Directors occurring between annual meetings shall be filled by a majority vote of the remaining members of the Board. Those Directors so elected shall serve until the next Annual Meeting.

SECTION 9 • Any member of the Board may resign at any time by giving written notice of resignation (as both a Director and officer of the Association) 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 Officers of the Association shall be President, Vice President, Secretary and Treasurer (and any co-Officers elected by the members of the Board of Directors). 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 make a written 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 and 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 each serve for a period of one year. After serving four consecutive terms in the same official capacity, 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 solely limited as enumerated above and the officers may also discharge such duties as may be assigned by the Board of Directors.

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 the hamlets of Southold and Peconic and brings to the Board of Directors and to 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 Affordable Housing, Zoning 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 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 members of the Association, action may be taken on a matter brought to a vote of the members, if a majority of the members who are present at such meeting and vote in favor of such action. Such members must be members in good standing prior to the meeting at which such vote shall occur.

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 on a Saturday 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. If the Board of Directors, in its discretion, may approve the holding of video annual and general membership meetings or combination video and in-person annual and general membership meetings (known as “hybrid” meetings). If there shall be video only or hybrid meetings, the Board of Directors shall devise a system so that those who are attending such meetings via video shall have a method of participation and voting.

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 in good faith or made known to the Board must be resolved pursuant to the Conflict of Interest and Compensation Policy adopted by the Association (which is annexed to these as the Exhibit and shall be referred to as the “Conflict of Interest Policy”).

ARTICLE XI: AMENDMENTS

These By-laws 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(3) of the Internal Revenue Code or as otherwise required by the Articles of Incorporation.

Executed after an affirmative vote by members by:

_____	President
_____	Vice President
_____	Secretary

Exhibit

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 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

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.

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.

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

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:
 - 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.

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).

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.