

BYLAWS
OF
TERRACES ON THE SOUND PROPERTY OWNERS ASSOCIATION, INC...

Adopted August 3, 2013
Amended August 5, 2023

ARTICLE I

MEMBERS

1. Membership

Membership in the corporation is inclusive of and limited to the deeded property owner(s) and spouses(s) whose properties lie within the Terraces on the Sound. Membership is mandatory for property owner(s) and can only be terminated by the transfer of said property. Membership in good standing is contingent upon being current in the payment of annual assessments.

2. Annual Meeting

A meeting of the Members shall be held annually for the election of directors and the transaction of other business on such date in each year as may be determined by the Board of Directors, but in no event later than the third Saturday in August.

At the regular meeting of property owners, the following shall be the order of business:

- a) Roll Call
- b) Proof of Proper Notice of Meeting
- c) Report of the President
- d) Report of the Treasurer
- e) Annual Report of the Auditor
- f) Election of Directors
- g) Miscellaneous Business

3. Special Meetings

Special meetings of the Members may be called by the majority of the Board of Directors or shall be called by the Board upon the written request of the majority of the Members of the Corporation entitled to vote at the meeting requested to be called. Such request shall state

the purpose or purposes of the proposed meeting. At such special meetings the only business which may be transacted is that relating to the purpose or purposes set forth in the notice thereof.

4. Place of Meetings

Meetings of the Members shall be held at such place within Northeastern Brookhaven Town as may be fixed by the Board of Directors. If no place is so fixed, such meetings shall be held at the plaza located at the north end of Longview Avenue, Rocky Point, NY.

5. Notice of Meetings

Notice of each meeting of the Members shall be given in writing and shall state the place, date and hour of the meeting and the purpose or purposes for which the meeting is called. Notice of a special meeting shall indicate that it is being issued by or at the direction of the person or persons calling or requesting the meeting.

A copy of the notice of each meeting shall be given, personally or by first class mail, not less than 20 days before the date of the meeting, to each Member when deposited in the United States mail, with postage thereon prepaid, directed to the Member at such Member's address as it appears on the record of the Members, or, if the Member shall have filed with the Secretary of the Corporation a written request that notices to the Member be mailed to some other address, then directed to the Member at such other address.

6. Waiver of Notice

Notice of a meeting need not be given to any Member who submits a signed waiver of notice, in person or by proxy, whether before or after the meeting. The attendance of any Member at a meeting, in person or by proxy, without protesting prior to the conclusion of the meeting the lack of notice of such meeting, shall constitute a waiver of notice by such.

7. Inspectors of Election

The Board of Directors, in advance of any Members' meeting, may appoint one or more inspectors to act at the meeting or any adjournment thereof. If inspectors are not so appointed, the person presiding at a Members' meeting may, and on the request of any Member entitled to vote thereat shall, appoint two inspectors. In case any person appointed fails to appear or act, the vacancy may be filled by appointment in advance of the meeting by the Board or at the meeting by the person presiding thereat.

The inspectors shall determine the existence of a quorum, the validity and effect of proxies, and shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote at the meeting, count and tabulate all votes,

ballots or consents, determine the result thereof, and do such acts as are proper to conduct the election or vote with fairness to all Members. On request of the person presiding at the meeting, or of any Member entitled to vote thereat, the inspectors shall make a report in writing of any challenge, question or matter determined by them and shall execute a certificate of any fact found by them. Any report or certificate made by them shall be prima facie evidence of the facts stated and of any vote certified by them.

8. List of Members at Meetings

A list of the Members as of the record date, certified by the Secretary or any Assistant Secretary shall be produced at any meeting of the Members upon the request thereat or prior thereto of any Member. If the right to vote at any meeting is challenged, the inspectors of election, or the person presiding thereat, shall require such list of the Members to be produced as evidence of the right of the persons challenged to vote at such meeting, and all persons who appear from such list to be Members entitled to vote thereat may vote at such meeting.

9. Qualification of Voters

Only members in good standing may vote personally or by proxy at meetings of the Members. A delinquent member may not vote at any Corporation meeting.

Unless otherwise provided in the Certificate of Incorporation, every Member of record shall be entitled at every meeting of the Members to one vote.

Membership held by an administrator, executor, guardian, conservator, committee or other fiduciary, other than a trustee, may be voted by such fiduciary, either in person or by proxy. Membership held by a trustee may be voted by the trustee, either in person or by proxy.

No Member shall sell his or her vote, or issue a proxy to vote, to any person for any sum of money or anything of value except as permitted by law.

10. Quorum of Members

Fifty percent of the Members entitled to vote at any meeting of the Membership shall constitute a quorum at such meeting for the transaction of any business.

When a quorum is once present to organize a meeting, it is not broken by the subsequent withdrawal of any Members.

The Members who are present in person or by proxy and who are entitled to vote may, by a majority of votes cast, adjourn the meeting despite the absence of a quorum.

11. Proxies

Every Member entitled to vote at a meeting of the Membership, or to express consent or dissent without a meeting, may authorize another person or persons to act for the Member by proxy.

Every proxy must be signed by the Member. No proxy shall be valid after the expiration of one month from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the Member executing it, except as otherwise provided by law.

The authority of the holder of a proxy to act shall not be revoked by the incompetence or death of the Member who executed the proxy, unless before the authority is exercised written notice of an adjudication of such incompetence or of such death is received by the Secretary or any Assistant Secretary.

12. Vote or Consent of Members

Directors shall be elected by a majority of the votes cast at a meeting of Members entitled to vote in the election.

Whenever any corporate action is to be taken by vote of the Members, it shall be authorized by a majority of the votes cast at a meeting of Members entitled to vote thereon.

13. Fixing the Record Date

For the purpose of determining the Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, the Board of Directors may fix, in advance, a date as the record date for any such determination of Members. Such date shall not be less than ten nor more than sixty days before the date of such meeting, nor more than sixty days prior to any other action.

ARTICLE II

BOARD OF DIRECTORS

1. Power of Board and Qualification of Directors

The business of the Corporation shall be managed by the Board of Directors. Each director shall be at least eighteen years of age, own property in the Terraces on the Sound, and be in good standing with the corporation. Each director may not have open tickets for code violations with the Town of Brookhaven or have initiated legal action against another community member.

2. Number of Directors

The number of directors constituting the entire Board of Directors shall be Ten.

3. Election and Term of Directors

At each annual meeting of Members, directors shall be elected to hold office for a two-year term and until their successors have been elected and qualified or until their death, resignation or removal in the manner hereinafter provided. Each director may serve for a maximum of 4 consecutive terms. After remaining out of office for 2 years a former director may again run for office.

Nominations for the election of Board of Directors shall be made prior to the annual meeting. Any property owner in good standing may be placed on the ballot as candidate for the Board of Directors by a written nomination, signed and sent to the Board of Directors no less than (45) days prior to the annual meeting. A signed letter of acceptance and a brief biography by the nominee shall accompany such nomination. Nominees shall be placed on a ballot and become part of the notice of annual meeting sent to each property owner. The ballot must be completed by the member and presented at the annual meeting, or be returned by mail prior to the annual meeting.

4. Quorum of Directors and Action by the Board

A majority of the entire Board of Directors shall constitute a quorum for the transaction of business, and, except where otherwise provided herein, the vote of a majority of the directors present at a meeting at the time of such vote, if a quorum is then present, shall be the act of the Board.

Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all of the Board consents in writing to the adoption of a resolution authorizing the action. The resolution and the written consent thereto by the Board shall be filed with the minutes of the proceedings of the Board or committee.

5. Meetings of the Board

An annual meeting of the Board of Directors shall be held in each year within one month of the annual meeting of Members. Regular meetings of the Board shall be held at such times as may be fixed by the Board and not less than six times per fiscal year. Directors are required to attend seventy-five percent of such meetings. Special meetings of the Board may be held at any time upon the call of the President or any two directors.

Meetings of the Board of Directors shall be held at such places as may be fixed by the Board for annual and regular meetings and in the notice of meeting for special meetings. Any one or more of the Board of Directors may participate in meetings by means of a conference telephone or similar communications equipment.

Notice of a meeting of the Board of Directors need not be given to any director who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to any director.

A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of any adjournment of a meeting to another time or place shall be given, in the manner described above, to the directors who were not present at the time of the adjournment and, unless such time and place are announced at the meeting, to the other directors.

6. Resignations

Any director of the Corporation may resign at any time by giving written notice to the Board of Directors or to the President or to the Secretary of the Corporation. Such resignation shall take effect at the time specified therein; and unless otherwise specified therein the acceptance of such resignation shall not be necessary to make it effective.

7. Removal of Directors

Any one or more of the directors may be removed for cause by action of the Board of Directors. Any or all of the directors may be removed with or without cause by vote of the Members.

8. Newly Created Directorships and Vacancies

Newly created directorships resulting from vacancies occurring in the Board of Directors for any reason may be filled by vote of a majority of the directors then in office, although

less than a quorum exists. A director elected to fill a vacancy shall be elected to hold office for the unexpired term of his or her predecessor.

9. Committees of Directors

The Board of Directors, by resolution adopted by a majority of the entire Board, may designate committees from among the Membership. All such committees must be chaired by a member of the Board of Directors.

Unless a greater proportion is required by the resolution designating a committee, a majority of the entire authorized number of such committee shall constitute a quorum for the transaction of business, and the vote of a majority of the present at a meeting at the time of such vote, if a quorum is then present, shall be the act of such committee.

Each such committee shall serve at the pleasure of the Board of Directors.

10. Interest of Directors in a Transaction

No contract or other transaction is permitted between the Corporation and one or more of its directors, or between the Corporation and any other corporation, firm, association or other entity in which one or more of the directors are directors or officers, or are financially interested, and shall be either void or voidable, irrespective of whether such interested director or directors are present at a meeting of the Board of Directors which authorizes such contract or transaction and irrespective of whether his, her or their votes are counted for such purpose.

11. Rules and Regulations

The Board of Directors by resolution adopted by a majority of the Board may adopt rules and regulations.

ARTICLE III

OFFICERS

1. Election of Officers

The Board of Directors, as soon as may be practicable after the annual election of directors, shall elect a President, a Secretary, and a Treasurer, and from time to time may elect or appoint such other officers as it may determine. Two or more offices may not be held by the same person or by members of the same family. The Board of Directors may also elect one or more Vice Presidents, Assistant Secretaries and Assistant Treasurers.

2. Term of Office and Removal

Each officer shall hold office for the term for which such officer is elected or appointed, and until a successor has been elected or appointed and qualified. Unless otherwise provided in the resolution of the Board of Directors electing or appointing an officer, the term of office shall extend to and expire at the meeting of the Board following the next annual meeting of Members.

3. President

The President shall be the chief executive officer of the Corporation, shall have general and active management of the business of the Corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect. The President shall also preside at all meetings of the Members and the Board of Directors.

4. Vice Presidents

The Vice Presidents, in the order designated by the Board of Directors, or in the absence of any designation, then in the order of their election, during the absence or disability of or refusal to act by the President, shall perform the duties and exercise the powers of the President and shall perform such other duties as the Board of Directors shall prescribe.

5. Secretary

The Secretary shall attend all meetings of the Board of Directors and all meetings of the Members and record all the proceedings of the meetings of the Corporation and of the Board of Directors in electronic format to be kept for that purpose, and made available to any member in good standing, and shall perform like duties for the standing committees when required. The Secretary shall give or cause to be given, notice of all meetings of the Members and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or President, under whose supervision the Secretary shall be.

6. Treasurer

The Treasurer shall have the custody of the corporate funds and securities; shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation; and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors.

The Treasurer shall disburse the funds as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and the Board of

Directors, at its regular meetings, or when the Board of Directors so requires, an account of all his or her transactions as Treasurer and of the financial condition of the Corporation.

7. Books and Records

The Corporation shall keep: (a) correct and complete books and records of account; (b) minutes of the proceedings of the Members and the Board of Directors; and (c) a current list of the directors and officers and their residence addresses; and (d) a record containing the names and addresses of all Members and the dates when they respectively became the owners of record thereof.

The Board of Directors may determine whether and to what extent and at what times and places and under what conditions and regulations any accounts, books, records or other documents of the Corporation shall be open to inspection, and no creditor, security holder or other person shall have any right to inspect any accounts, books, records or other documents of the Corporation except as conferred by statute or as so authorized by the Board.

8. Checks, Notes, etc.

All checks and drafts on, and withdrawals from the Corporation's accounts with banks or other financial institutions, and all bills of exchange, notes and other instruments for the payment of money, drawn, made, endorsed, or accepted by the Corporation, shall be signed on its behalf by at least two persons thereunto authorized by, or pursuant to resolution of, the Board of Directors.

ARTICLE IV

OTHER MATTERS

1. Corporate Seal

The Board of Directors may adopt a corporate seal, alter such seal at pleasure, and authorize it to be used by causing it or a facsimile to be affixed or impressed or reproduced in any other manner.

2. Fiscal Year

The fiscal year of the Corporation shall be the twelve months ending June 30th, or such other period as may be fixed by the Board of Directors.

3. Annual Budget

The Board of Directors shall prepare a preliminary financial plan to cover all anticipated operating expenses of the Corporation for the following fiscal year. This Plan shall represent a consensus of the Board and of its working committees, refined to final form by the appropriate Board member. The Plan will be presented to all property owners at the regular annual meeting of property owners.

All projects and expenditures shall be accomplished ethically and shall include seeking at least two (2) bids for projects or expenditures in excess of 6% of budget and at least three (3) bids for projects in excess of 12% of budget. However, an exception is allowed in the case of emergencies to remediate unsafe conditions. Deviations greater than twenty percent in the contracted price for additional work or for unforeseen conditions shall be submitted to the board for approval.

In order to maintain uniform and consistent financial and budgetary records and in order to give the Board of Directors and property owners a standard for guidance, evaluation, understanding and comparison of proposed annual budget expenditures, the following categories of financial expenditures will be used by the Board of Directors and implemented by the Treasurer in the record-keeping of the corporation.

The following budget categories are representative of community costs, and are meant to reflect the categories to be presented in the annual budget and maintained in the financial records. Additional categories and further breakdowns of existing categories may be implemented to further clarify budget expenditures or emergency allocation.

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| 1) Roads: Repairs and Maintenance | 7) Insurance |
| 2) Snow Removal | 8) Administrative |
| 3) Gardens & Cleanup | 9) Legal costs |
| 4) Beach & Ramp Maintenance | 10) Professional Fees |
| 5) Employees: Lifeguard | 11) Miscellaneous |
| 6) Taxes: Real Estate Property Tax | |

4. Annual Assessments

Each record owner of property in the Terraces shall pay his/her pro rata portion of the operating costs of the Community. Pro rata portions shall be due annually and shall be considered annual assessments. Record owners who are current in their payments of annual assessments shall be considered property owners in good standing.

Annual assessments shall be payable by July 31. A late fee of 25 dollars and monthly interest at a rate of two percent per month shall be charged and added to the annual assessment after July 31.

The Corporation will take legal action against any record owner(s) who fails to pay the annual assessment. Delinquent record owners shall be charged for the past due annual assessments, for attorney fees, Court costs, and ancillary fees incurred by the Corporation but not to exceed the statutory rate. If the delinquent record owner does not pay the amount of the judgment obtained by the Corporation, then a lien shall be placed upon the property of the delinquent record owner. No liens will be removed from such property until all arrears in annual assessments, attorney fees, courts costs and interest due are paid in full to the Corporation.

If a record owner cannot after due diligence be located, the person with the opportunity to benefit from the maintenance of the community shall be responsible to pay for the annual assessments for the subject property. If the responsible person notifies the Board of the location of the record owner(s), the obligation to pay annual assessments shall shift back to the record owner.

Where real property is split and an additional deed is recorded an increase in the number of properties owing an annual assessment shall be deemed to exist and shall be recorded in the corporate books upon notice to the corporation by the new record owner.

Where real property is combined and the number of recorded deeds is thereby reduced a reduction in the number of properties owing an annual assessment shall be deemed to exist and shall be recorded in the corporate books upon notice to the corporation by the new record owner.

5. Annual Compilation of Financial Records

Prior to the regular annual meeting of property owners, the financial records of the Corporation shall be compiled by an independent Certified Public Accounting Firm. A summary of this compilation shall be presented by the Treasurer at the annual meeting of property owners in good standing.

The Financial Records of the Corporation shall be available for inspection by any property owners in good standing upon appointment with the Treasurer. Appointments shall be upon reasonable notice and at reasonable times.

6. Construction

The appropriate municipal residential building zone ordinances currently in effect shall apply unless otherwise provided by law, deed, equitable servitude, Terraces bylaws, Community constitution or covenants and restrictions.

All applications for building permits shall be submitted to the Board for review and approval prior to the time of application to the Town. It is the responsibility of property owners or residents to contact the Board with copies of applications for building permits.

A road impact fee of 500 dollars may be assessed for construction, remodeling or additions greater than 500 square feet that requires the use of heavy equipment. Heavy equipment

shall be defined as equipment of two and one half tons or greater weight used for construction or home improvement.

Property owners who engage contractors must require proof of insurance coverage or bond as to the use of heavy equipment on community roads and property. Such proof must be provided to the board prior to the start of work. The corporation must be adequately compensated for all damage to community property. Damage to community roads or property must be repaired by the responsible party.

This Article shall not be construed to limit the Board's remedies at law, equity, bylaw or constitution.

7. Common Community Property

Unless otherwise provided by these bylaws, common community property that is continuously possessed, occupied, cultivated, improved, enclosed, or used by adjacent landowners, within and without the Terraces whether or not subject to a claim of title by the said adjacent landowner, shall be deemed to be expressly consent possession, occupation, cultivation, improvement, enclosure or use pursuant to this bylaw. This bylaw shall not be construed to convey any right or claim of title to an adjacent landowner to common community property. Common community property is subject to a community interest and dedicated to community use. Title to said lands, shall remain with the community.

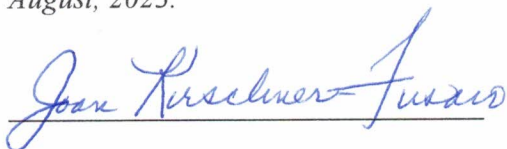
8. Amendments

Bylaws of the Corporation may be adopted, amended or repealed by vote of the Members at the time entitled to vote in the election of any directors.

Amendments to the Bylaws may be proposed by the Board of Directors and/or by the property owners. Any proposal to amend by the property owners must be presented in writing to the Board of Directors and signed by at least five property owners of record in sufficient time to act upon same in order that the notices of the regular meetings may contain such amendments.

A majority vote of all Members represented at such regular meeting shall be necessary to pass such amendment.

The undersigned Secretary of the Association does hereby certify that the above and foregoing Bylaws were duly adopted [amended] by the Members at the Annual Meeting on the 5th day of August, 2023.



Joan Kirschner-Fusaro, Secretary