

BY-LAWS, OF LEISURE VILLAGE ASSOCIATION, INC.
a New York Membership Corporation

ARTICLE I

**APPLICABILITY, MEMBERS, MEMBERSHIP
AND DEFINITIONS**

- Section 1.* These By-laws shall be applicable to Leisure Village Association, Inc., a membership corporation of the State of New York (hereinafter referred to as the "Association"), to all of the members thereof, as hereinafter defined and to the community and recreational facilities owned by the Association.
- Section 2.* All present and future owners, tenants, future tenants, their guests, licensees, servants, agents, employees and any other person or persons that shall be permitted to use the facilities of the Association shall be subject to these By-laws and the rules and regulations issued by the Association to govern the conduct of its members.
- Section 3.* Except as otherwise provided, membership in the Association shall be limited to the owners or co-owners of family units in the Leisure Village at Shoreham, Inc. Condominium and each and every other Condominium which is now or may hereafter be created connected with the "Association" (hereinafter referred to as the "Condominiums"), provided, that whenever title to a family unit is vested in two or more persons, such co-owners shall be entitled jointly to only one vote for their particular unit.

In the event that a member shall lease or permit another to occupy his/her family unit, the tenant or occupant shall be permitted to enjoy the recreational and community facilities of the Association but shall not vote in the affairs of the Association except as the member shall permit the tenant or occupant to exercise the proxy vote of the member. The community and recreational facilities of the Association shall be limited to occupants of family units and their guests.

In the event that a member shall mortgage his/her family unit, the lien of the mortgage shall be deemed to attach to the member's rights, privileges and obligations in the Association, including the right to vote in the affairs of the Association so that if the member should be in default of any of the terms of the mortgage and such default shall result in foreclosure thereof, the member's membership in the Association shall automatically terminate and all of the rights, privileges and obligations of membership shall inure to the mortgagee and its assigns.

Every lawful transfer of title to the member's family unit shall include membership in the Association and upon making such transfer, the previous owner's membership shall automatically terminate.

Except as provided above, membership in the Association may not be assigned or transferred and any attempted assignment or transfer thereof shall be void and of no effect.

Section 4. Evidence of membership and ownership in the Association shall be a membership card issued to each member of the Association. In the event there is more than one owner of a particular family unit, any one of such co-owners may exercise only the one vote to which the unit is entitled. Membership cards shall be surrendered to the Manager of the Association whenever ownership of a family unit designated thereon shall terminate.

ARTICLE II

PRINCIPAL OFFICE

Section 1. The principal office of the Association shall be located at Whiskey Road, West of Randall Road, Town of Brookhaven, Suffolk County, New York.

ARTICLE III

MEETINGS OF MEMBERS VOTING

Section 1. All annual and special meetings of the Association shall be held at the principal office of the Association or at such other suitable and convenient place as may be permitted by law and from time to time fixed by the **Directors** and designated in the notices of such meetings.

Section 2. The annual meeting of the members of the Association shall be held on the fourth Monday in July, or on such other date as may be fixed by the **Board of Directors**, which date shall not be more than 15 days in advance of or subsequent to the fourth Monday in July. Prior to each annual meeting, on a date fixed by the **Board of Directors**, but in no event earlier than 45 days in advance of the date of the annual meeting, and upon written notice thereof being given to all members not later than 10 days in advance of said date, an election shall be held by the membership for Directors of the Association in accordance with Article V, Section 3 of these By-laws. The **Directors** so elected at said election shall take office at the conclusion of the annual meeting of the members and the members may transact such other business as may properly come before said annual meeting.

Section 3. The **Secretary** shall mail notices of annual meetings to each member of the Association, directed to his/her last known post office address as shown on the records of the Association, by regular mail, postage prepaid. Such notice shall be mailed not less than 10 days nor more than 15 days before the date of such meeting and shall state the date, time and place of the meeting and the purpose thereof. In lieu of mailing, said notice may be left at the usual place of residence or business of the member.

Section 4. It shall be the duty of the **President** to call a special meeting of the members of the Association whenever he/she is directed to do so by a resolution of the **Directors** or upon the presentation to the **Secretary** of a petition signed by not less than 10% of the total number of members entitled to vote at each meeting.

- Section 5.* The **Secretary** shall cause notice of such special meeting to be given to each member of the Association in the manner provided in Section 3. of this Article, except that notice of such special meeting shall be given not less than 5 nor more than 10 days before the date fixed for such meetings. No business shall be transacted at any special meeting except as stated in the notice thereof unless by consent of two-thirds of the members present either in person or by proxy.
- Section 6.* The **Secretary** shall compile and keep up-to-date at the principal office of the Association, a complete list of the members and their last known post office addresses. This list shall be open to inspection by all members and other persons lawfully entitled to inspect the same at reasonable hours during regular business days. The **Secretary** shall also keep current and retain custody of the minute book of the Association, containing the minutes of all annual and special meetings of the Association and all resolutions of the Directors.
- Section 7.* Each family unit shall be entitled to one vote by a member in good standing and entitled to vote, provided that where a family unit is owned jointly by two or more persons, only one such owner shall be entitled to cast the vote assigned to the particular family unit, the splitting of such vote being prohibited.
- Section 8.* At all elections of **Directors**, each family unit shall be entitled to cast one vote for one nominee for each **Director** position being voted upon. There shall be no cumulative voting permitted.
- Section 9.* A member shall be deemed to be "in good standing" and "entitled to vote" at any annual meeting or at any special meeting of the Association, if and only if, he/she shall have fully paid all assessments made or levied against him/her and his/her family unit by the **Directors** as hereinafter provided, together with all interest, costs, attorney's fees, penalties and other expenses if any, properly chargeable to him/her and against his/her family unit, at least 3 days prior to the date fixed for such annual or special meeting. No member may stand as a candidate for election to the Board unless that member is "in good standing" in accordance with this Section at the time that he/she files notice of his candidacy and must remain in good standing.
- Section 10.* Except as otherwise provided in these By-laws, the presence in person or by proxy of a majority of the members of the Association shall constitute a quorum at any annual or special meeting of members. If any meeting of members cannot be organized because a quorum has not attended, the members present, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours from the time the original meeting was called. In the event of any such adjourned meeting, no further notice of the adjourned date need be given to any of the members.
- Section 11.* Votes may be cast either in person or by proxy. Proxies must be in writing and filed with the **Secretary** at least 2 days before the time appointed for each meeting in the notice thereof.

Section 12. All decisions of the members involving capital expenditures shall require for passage, the affirmative vote of the members representing at least 80% of the total votes of the Association. All other decisions shall require for passage, the affirmative vote of at least a majority of the members in good standing and entitled to vote. The **Directors** shall be governed in the making of capital expenditures and in other actions by decisions made by the members as provided in this section.

Section 13. The order of business at the annual meeting of the members of the Association shall be as follows:

- (a) Meeting called to order by the **President** of the Association.
- (b) Pledge of Allegiance to the Flag and a moment of silence.
- (c) Welcome and opening remarks.
- (d) Report of proof of notice of the annual meeting by the **Secretary**.
- (e) Motion to dispense with the reading of the minutes of the previous annual meeting.
- (f) **Treasurer's** report.
- (g) Reports from individual directors.
- (h) Questions from the floor concerning pertinent matters in connection with the management of the Association.
- (i) Recognition and presentation of citations of merit to retiring **Directors**.
- (j) Confirmation of the results of the election meeting.
- (k) Introduction and induction of newly elected **Directors**.
- (l) Adjournment.

ARTICLE IV

OBLIGATIONS OF MEMBERS

Section 1. Each member shall be obligated to reimburse the Association for any expenses incurred by it in repairing or replacing any part or parts of the common elements damaged solely by his/her negligence or by the negligence of his/her tenants, agents, guests or licensees, promptly upon the receipt of the Association's statement therefor.

Section 2. Each member is bound to contribute toward the expenses of administering and maintaining the Association and all of its real and personal property in such amounts as shall from time to time be fixed by the **Directors**, and to any other expense that may be lawfully agreed upon. No member may exempt themselves from contributing toward such expenses by waiver of the use or enjoyment of the community or recreational facilities of the Association or by abandonment of the family unit owned by them.

Section 3. Payment by the member of his/her share of the expenses aforesaid, shall be made monthly on the first day of each month, in the amount from time to time fixed by the **Directors**, to the **Treasurer** of the Association at the principal office of the Association or such other place as shall be designated by the **Directors**.

- Section 4.* All such charges and expenses chargeable to a member and his/her family unit shall constitute a lien against the said family unit in favor of the Association for the use and benefit of the members of the Association prior to all other liens except (1) assessments, liens and charges for taxes past due and unpaid on the family unit, and (2) payments due under mortgage instruments of encumbrance, if any, duly recorded. The said lien may be foreclosed in the manner provided for the foreclosure and sale of real estate mortgages and in the event of foreclosure, the Association shall, in addition to the amount due, be entitled to recover reasonable expenses of the action including costs and attorney's fees. The right of the Association to foreclose the lien aforesaid shall be in addition to any other remedy which may be available to it at law for the collection of the monthly charges and expenses including the right to proceed personally against any delinquent member for the recovery of personal judgement against him/her.
- Section 5.* In the event a member shall fail to pay any assessment levied against him/her and the family unit owned by him/her for the expenses of administering, maintaining and operating the community and recreational facilities of the Association or any other expense lawfully agreed upon, within 10 days after the same shall become due and payable, the Association shall be entitled to proceed to foreclose the lien referred to in the preceding Section.
- Section 6.* Upon the sale, conveyance or other lawful transfer of title to a family unit, all unpaid assessments against a member for his/her pro rata share in the expenses of administration, maintenance and repair of the community and recreational facilities of the Association and other expenses agreed upon, shall first be paid out of the sales price or by the acquirer in preference over any other assessments or charges of whatever nature except the following:
- (a) Assessments, liens, and charges for taxes past due and unpaid on the family unit, and;
 - (b) payments due under mortgage instruments of encumbrance, if any, duly recorded.
- Section 7.* The acquirer of a family unit shall be jointly and severally liable with the seller for the amounts owing by the latter to the Association up to the time of the conveyance or transfer, without prejudice to the acquirer's right to recover from the seller the amount paid by him/her as such joint debtor. The Association shall provide for the issuance and issue to every acquirer, upon his request, a statement of such amounts due by the seller and the acquirer's liability under this section shall be limited to the amount as set forth in said statement.
- Section 8.* Each member shall comply strictly with these By-laws and with the administrative rules and regulations adopted pursuant thereto, as either of the same may be lawfully amended from time to time. Failure to comply with any of the same shall be grounds for a civil action to recover sums due for damages or injunctive relief, or both, maintainable by the Association or, in a proper case, by an aggrieved member.

ARTICLE V

BOARD OF DIRECTORS

Section 1. The affairs of the Association shall be governed by a **Board of Directors** consisting of not less than three persons, nor more than seven, each of whom, subsequent to those named in the certificate of incorporation of the Association, shall be a member of the Association, and one of whom shall be both a citizen of the United States and a resident of the State of New York.

Notwithstanding the surrender by Leisure Village at Shoreham, Inc. of the right to control the Association through election of a majority of the **Board of Directors** until Leisure Village at Shoreham, Inc. has constructed and sold 1,500 units, the **Board of Directors** is prohibited from taking any action as a Board on behalf of the unit owners that would have the effect of infringing upon Leisure Village at Shoreham, Inc.'s right to construct and sell 1,500 units or to exclude from the enjoyment of the facilities and services of the Association any number of units less than 1,500.

Section 2. No member of the **Board of Directors** may hold office in any club sanctioned by the Association.

Section 3. In the even number years the majority of the **Directors** shall be elected to serve on the **Board of Directors**. In the odd numbered years the balance of the **Directors** shall be elected to serve for a term of two years. **Directors** shall continue to hold office until their successors are elected and qualified. **Directors** may succeed themselves in office. **Directors** shall serve without compensation.

Section 4. If the office of any **Director** shall become vacant by reason of his/her death, resignation, retirement, disqualification, removal from office or otherwise, before the expiration of his/her term of office, the **President** with the approval of the **Board of Directors** shall appoint a **Director** to serve until the next Annual Election of the Association as provided in these By-laws. At said annual election of the Association a **Director** shall be elected to fill the unexpired term of office.

Section 5. The first Organizational Meeting of the **Board of Directors** shall be held immediately upon adjournment of the Annual Meeting of the Association and be held in the **Directors'** office, provided a quorum is present. If a quorum of the Board is not present, such first Organizational Meeting shall be held as soon thereafter as may be practicable provided notice is given to each **Director** as set forth in Section 6 of this Article unless waived as provided in Section 8. of this Article.

Section 6. Regular meetings of the **Board of Directors** may be held at such time and place permitted by law as from time to time may be determined by the **Directors**, but at least four such meetings shall be held in each fiscal year. Notice of regular meetings of the Board shall be given to each **Director** in person, by telegram or United States mail at his/her last known address as the same appears on the records of the Association, at least five days before the date appointed for such meeting. Such notice shall state the date, time and place of such meeting and purpose thereof.

- Section 7.* Special meetings of the **Board of Directors** may be called by the **President** of the Association upon 48 hours notice given in person or by telegram to each **Director**. Special meetings of the Board shall be called by the **President** or the **Secretary** in like manner upon the written request of any two **Directors**.
- Section 8.* Before any meeting of the **Board of Directors**, whether regular or special, any **Director** may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a **Director** at any meeting of the Board shall likewise constitute a waiver by him/her of such notice. If all **Directors** are present at any meeting of the Board, no notice of such meeting shall be required and any business may be transacted at such meeting except as prohibited by law or these By-laws.
- Section 9.* At all duly convened meetings of the **Board of Directors**, a majority of the **Directors** shall constitute a quorum for the transaction of business except, as otherwise expressly provided in these By-laws or by law, and the acts of the majority of the **Directors** present at such meeting at which a quorum is present shall be the acts of the **Board of Directors**. If at any meeting of the **Board of Directors** there shall be less than a quorum present, the **Director** or **Directors** present may adjourn the meeting from time to time, with notice of the time and date of the adjourned meeting being given to the absent **Directors**, and at any such adjourned meeting at which a quorum is present, any business that might have been transacted at the meeting originally called, may be transacted without further notice to any **Director**.
- Section 10.* The **Board of Directors** shall have and exercise all lawful powers and duties necessary for the proper conduct and administration of the affairs of the Association and the maintenance, administration and operation of the recreational facilities of the Association including but not limited to the expenditure of money by the Association and may do or cause to be done all such other lawful acts and things as are not by law, by these By-laws or otherwise, directed or required to be done or exercised by members of the Association. The **Board of Directors** shall make, promulgate and enforce such rules and regulations relative to the use and operation of the recreational facilities, which rules and regulations shall be binding on all members, their successors and assigns.
- Section 11.* The **Board of Directors** shall obtain and maintain, to the extent obtainable, the following insurance: fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring community and recreational facilities, and buildings containing units, but not including furniture, furnishings or other personal property belonging to unit owners. The amount of the insurance covering the property in this paragraph will be for full replacement value.
- The **Board of Directors** shall also maintain public liability insurance in a single limit of one million dollars (\$1,000,000.00) covering all claims for bodily injury or property damage arising out of any occurrence in the common elements. Said policy will not cover the liability of a unit owner arising from occurrence within his/her own unit.
- The **Board of Directors** shall also obtain and maintain, to the extent obtainable, such other insurance as will protect the interest of the Association.

Section 12. Any **Director** may be recalled from office by one of two methods hereinafter specified:

- (a) The **Directors** at a regular or special meeting must first adopt a resolution by majority vote indicating the intention to recall a specific **Director** listing the grounds upon which the proposal to recall is based. Further, the resolution must specify the date upon which the resolution of recall will be moved and voted upon, which shall not be less than 15 days nor more than 30 days from the date of the meeting when the first resolution was adopted. At this time the affirmative vote of not less than five members of the **Board of Directors** is required to recall a **Director**.
- (b) Upon the filing of a petition signed by not less than 51% of the membership of the Association calling for the recall of a **Director**, the **President** of the Association, or in his/her absence or disability, the **Vice President**, shall call a special meeting of the membership of the Association to be held not later than 30 days following the filing of the petition for the purpose of conducting a vote for the recall of the **Director**. It shall be the duty of the **Board of Directors** to ascertain the sufficiency of the signatures upon the petition and the authenticity thereof, and for the purpose of determining a sufficiency of signatures upon said petition shall be counted and no dwelling unit shall be counted more than once regardless of the number of signatures appearing thereon of the owners and/or occupants of said dwelling unit. At the special meeting of the membership of the Association called for the purpose, the sole question to be presented to the membership to be voted upon shall be: "Shall _____ be recalled from office as a **Director** of Leisure Village Association, Inc. and his/her office declared vacant?"

The vote shall be taken on written ballots and conducted in the same manner as other elections called for in the By-laws. In the event that a majority of the members of the Association present and voting at meeting shall answer the question in the affirmative, then upon official tabulations of the results of the said election and the announcement thereof to the membership, the **Director** shall be deemed to have been recalled from office and his/her office declared vacant; whereupon the membership may proceed to fill the vacancy in accordance with ARTICLE V, Section 4 of these By-laws.

ARTICLE VI

DAMAGE TO BUILDINGS: RECONSTRUCTION: SALE: OBSOLESCENCE

Section 1. Following the sale of 1500 units by Leisure Village at Shoreham, Inc., in the event that the **Board of Directors** shall determine that any of the community and recreational facilities and any other real or personal property of the Association are obsolete, damaged or otherwise rendered unfit for use, the Board, at any regular or special meeting of the counsel of members, may call for a vote by members to determine whether or not the said property should be demolished and replaced.

In the event two-thirds of the members shall determine that the said property should be demolished and replaced or repaired, the costs thereof shall be assessed against all of the members of the Association in accordance with their proportionate share of ownership in the Association. In the event that said determination is made prior to the sale of 1500 units by Leisure Village at Shoreham, Inc., the unreimbursed costs thereof shall be apportioned between the members of the Association and Leisure Village at Shoreham, Inc. on a pro-rotabasis of unsold units as explained in the Condominium Offering Plans for Leisure Village.

ARTICLE VII

OFFICERS

Section 1. The officers of the Association shall be a **President**, a **Vice President**, **Secretary** and a **Treasurer**. The **Secretary** may be eligible to the office of **Treasurer**. The **President** and **Vice President** must be members of the Board of Directors.

Section 2. The officers of the Association shall be elected annually by the **Board of Directors** at the organization of each new Board and shall hold office until their successors are elected or appointed by the Board and qualify, provided that each officer shall hold office at the pleasure of the **Board of Directors** and may be removed either with or without cause and his/her successor elected at any annual or special meeting of the Board called for such purpose, upon the affirmative vote of a majority of the members of the Board. The **Board of Directors** may, from time to time, appoint such other officers as in their judgement are necessary.

Section 3. The **President** shall be the chief executive officer of the Association and shall preside at all meetings of the members and of the **Board of Directors**. He/she shall have the general powers and duties usually vested in the office of president of an association, including but not limited to, the power to appoint committees from among the members from time to time as he/she may deem appropriate to assist in the conduct of the affairs of the Association. He/she shall be an ex-officio member of each committee with the exception of the Nominating Committee. He/she shall execute such deeds, contracts and other instruments, in the name of and on behalf of the Association and under its corporate seal when a seal is required except when the signing and execution thereof shall be delegated by the **Board of Directors** to another officer or agent of the Association.

The **Vice-President** shall assist the **President** and in his/her absence or disability of the **President** shall have his/her powers and perform his/her duties. In the event the **Vice President** is absent or incapacitated the Board shall appoint one of its members, as a temporary chairman/chairwoman, to preside at such meetings.

All committees are advisory in nature and shall work with the **Board of Directors** with the exception of the Nominating Committee.

Section 4. The **Secretary** shall attend all meetings of the **Board of Directors** and all meetings of the members and record all votes and the minutes of all meetings and proceedings, including resolutions, in a minute book to be kept for that purpose and shall perform like duties for any committees when required. He/she shall have charge of the minute book and such records and papers as the Board shall direct and perform all duties incident to the office of the **Secretary**, including the sending of notices of meetings to the members, the Board of

Directors and committees and such other duties as may be prescribed by the By-laws or by the **Board of Directors or the President**. He/she shall also have custody of the corporate seal and when authorized by the Board, affix the same to any instrument requiring it and attest the same when appropriate. He/she shall have custody of the original copy of these By-Laws and all authority thereto and any rules and regulations promulgated by the Association.

Section 5. The **Treasurer** shall maintain a complete list of members of the Association with their addresses. He/she shall have responsibility for the Association's funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association and shall deposit all monies, checks and other valuable effects in the name of and to the credit of the Association in such depositories as may from time to time be designated by the **Board of Directors**. He/she shall disburse the funds of the Association as may from time to time be ordered by the Board or by the **President**, making proper vouchers for such disbursements and shall render to the **President** and **Directors**, at the regular meetings of the Board or whenever they or either of them shall require, an account of his/her transactions as **Treasurer** and of the financial condition of the Association.

Section 6. The officers of the Association shall serve without compensation except that they shall be entitled to reimbursement for all expenses reasonably incurred in the discharge of their duties.

ARTICLE VIII

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1. The Association shall indemnify every **Director** and officer, his/her heirs, executors and administrators, against all loss, costs and expenses, including counsel fees, reasonably incurred by him/her in connection with any action, suit or proceeding to which he/she may be made a party by reason of his/her being or having been a **Director** or officer of the Association except as to matters as to which he/she shall be finally adjudged in such action, suit or proceedings to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified had not been guilty of gross negligence or willful misconduct in the performance of his/her duty as such **Director** or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such **Director** or officer may be entitled. All liability, loss, damage, cost and expenses incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated by the Association as common expenses provided, however, that nothing in this Article contained shall be deemed to obligate the Association to indemnify any member or owner of a family unit, who is or has been a **Director** or officer of the Association, with respect to any duties or obligations assumed or liabilities incurred by him/her under and by virtue of his membership in the Association.

ARTICLE IX

FISCAL YEAR

Section 1. The fiscal year of the Association shall begin on the first day of April in each year.

ARTICLE X

CORPORATE SEAL

Section 1. The corporate seal of the Association shall consist of two concentric circles between the circumference of which shall be inscribed the name "Leisure Village Association, Inc." and within the circumference of the inner circle the words "Incorporated, New York" and the year of incorporation.

ARTICLE XI

CONTRACTS

Section 1. No contract relating to the operations conducted by the Association or for furnishing supplies to the Association shall be invalidated by reason of the fact that any **Director** or officer of the Association is interested therein either as party to the contract or as member of any firm, partnership or stockholder in a corporation which is a party to such contract.

ARTICLE XII

CHECKS

Section 1. All checks or demands for money and notes of the Association shall be signed by such officer or officers as the **Board of Directors** from time to time designate.

ARTICLE XIII

DISSOLUTION

Section 1. In the event it shall be deemed advisable and for the benefit of the members of the Association that the "Association" should be dissolved, the procedures concerning dissolution set forth in the Membership Corporation Law of the State of New York, shall be followed.

ARTICLE XIV

AMENDMENTS TO BY-LAWS

Section 1. These By-laws may be amended from time to time by the affirmative vote of the members within limitations prescribed by law. No such modification shall be operative until it is embodied in a written instrument which shall be disseminated to all members and provided notice of intention to amend the By-laws shall have been contained in the notice of the meeting.