

# BY-LAWS OF WATERFORD ASSOCIATION, INC.

AS REVISED ON OCTOBER 20, 2024

## PREAMBLE

The name of the Corporation is **WATERFORD ASSOCIATION, INCORPORATED**, hereinafter referred to as the “**Association**”.

The Association is a non-profit, non-stock corporation organized under the Connecticut Revised Nonstock Corporation Act (Chapter 602 of the Connecticut General Statutes) as the same may be amended from time to time (the “**Act**”). The Association purposes are to engage in any lawful act or activity permitted under the Act. Specifically, the Association purposes shall include but not be limited to:

- Maintaining and improving the general welfare and neighborly community spirit of the Association;
- Enhancing and protecting the appearance and value of Association property for the enjoyment of the Members;
- Providing a safe and enjoyable beach for use by Members during the summer season; and
- Providing stewardship of the Association beach and surrounding areas, to protect the salt water ecology and natural resources entrusted to the Association for the enjoyment of future generations of the Members.

## ARTICLE I – Officers and Directors

Section 1: There shall be five (5) officers: a President, Vice President, Recording Secretary, Financial Secretary and Treasurer (collectively, the “**Officers**”), who shall be appointed by the Board of Directors at or immediately following the Annual Meeting of the Association. Such officers should hold office through Labor Day weekend, after which time the appointed successors will assume the responsibilities of such offices. Any Officer vacancy shall be filled by the Board for the balance of the term. The Recording Secretary, Financial Secretary and Treasurer may appoint one or more deputies.

Section 2: There shall be a Board of Directors (the “**Board**”) consisting of six (6) directors (collectively, the “**Directors**”), one of which shall be the immediate past President of the Association. The Directors, other than immediate past president, shall be elected at the Annual Meeting of the Association. The Board may appoint any Director to also serve as an Officer of the Association.

Section 3: All Members, as the term is defined herein, who are at least eighteen (18) years of age, are eligible to serve as Officers, Directors or committee members of the Association.

Section 4: All Directors shall be elected by paper ballot when called for by any Primary Member of the Association, otherwise by voice vote, show of hands or electronic vote as provided under these By-laws, and shall hold office through the Labor Day weekend, after which time the elected successors will assume Board responsibility. Any vacancy that might occur shall be filled by the Board for the balance of the term.

## **ARTICLE II – Membership and Eligibility.**

Section 1: There shall be an active membership (“**Membership**”), comprised of two (2) classes of members, which are referred to at times herein collectively as “**Members**”:

A. “**Primary Members**”, who shall be at least eighteen (18) years of age and the record owner or owners of residential property within the boundaries of the Association in the Town of Waterford, hereinafter defined. Such property is referred to herein as the “**Household**”. Primary Members are responsible for the timely payment of the assessments, dues and fees set forth in Article VII herein. Each Primary Member not delinquent in the payment of assessments, dues or fees is deemed to be in “**Good Standing**” and eligible to vote on Member matters.

B. “**Household Members**”, who shall be “**Family Members**” of the Primary Member or another Household Member and be designated as such Household Members by the Primary Member on the Primary Member’s annual application for membership. The term “**Family Member**” shall include individuals related by birth, marriage, domestic partnership or other legal relationship.

The Association defines its boundaries as south on Great Neck Road from the intersection of Colonial Dr. to Shore Road (including houses on the east side of Great Neck Road), thence west/north on Shore Road to New Shore Road, thence west/north on New Shore Rd. to the intersection of Shore Rd. and Goshen Road, thence north on Shore Rd. to Lamphere Rd., and east on Lamphere Rd. to Great Neck Rd. includes all houses, streets/roads within these boundaries, as well as those streets/roads adjacent to these boundaries on the north, south, and west; also includes Jordan Cove Road west to Gardiner Wood Road, including Jordan Cove Circle.

Section 2: The Membership year shall be set from time to time by the Board and need not be consistent with the Association’s fiscal year.

Section 3: Membership is not transferable. Eligibility for continued status as a Primary Member is contingent upon continued record ownership of the Household by the Primary Member or Primary Members. Membership may not be renewed if the Primary Member(s) no longer holds record title to the Household. Notwithstanding the above:

A. A transfer of record title of a Household to an entity, including a trust, shall be deemed to be continuous ownership as long as a Primary Member is a beneficial owner of the entity to which title was transferred.

B. Upon the death or resignation of a Primary Member, the Association shall take no action to terminate such Primary Member’s membership for a period of ninety (90) days from the date of the Primary Member’s death or resignation (“**Grace Period**”), to allow sufficient time for one or more Household Members to establish record ownership of the Household and continue membership in the Association as the successor Primary Member. The Board shall have discretion to extend such Grace Period in the event of hardship on one or more of the Household Members.

C. A Primary Member may continue his/her membership by substituting his/her Household with another property within the boundaries of the Association (a “**New Household**”) if such Primary Member has obtained record ownership of the New Household no later than ninety (90) days after the disposition of his/her interest in the

prior Household and provides notice of the same to the Board within such ninety (90) days. Upon the substitution and notice to the Board, the New Household will be the Household and the prior Household will no longer be a Household. The Board shall have discretion to extend such ninety (90) day periods in the event of hardship on the Primary Member.

Section 4: Membership shall be limited to two hundred (200) Households.

Section 5: Applications for membership shall be made on forms furnished for that purpose. All applications shall be submitted to the Board, which will act on such application and, if approved, refer such approved application to the Financial Secretary for processing.

Section 6: Badges, Day Passes and beach access:

- A. Any person eight (8) years of age or older must have a badge or day pass to access the beach.
- B. Each Household is entitled to two (2) badges. Primary Members may purchase up to six (6) additional badges per Household for the use only by Members and guests of the Members, at such cost as is set from time to time by the Board.
- C. Day passes may be purchased by Members on a daily basis for use by Members or their guests, in such numbers and at such cost as is set from time to time by the Board based on the public health needs of the Members.
- D. Notwithstanding Sections 6.A and 6.B above, no badge or day pass may be used by or for a person that is not a Member and who currently resides within the Association boundaries. Exceptions to this rule may be made at the discretion of the Board.
- E. Primary Members are responsible for all the Household Members and their guests and their compliance with all Association rules and regulations while using the beach.

Section 7: At such times as the total number of Households exceeds two hundred (200), no new membership applications will be considered until such time as the number of Households is below 200. The Board may but is not required to establish and maintain a waitlist for prospective members.

### **ARTICLE III – Board and Member Meetings**

Section 1: There shall be a regular business meeting of the Board held on the second Saturday of July at a time and place designated by the President.

Section 2: The Annual Meeting of the Association shall be held on the third Saturday of August at a time and place designated by the President (the “**Annual Meeting**”). At the Annual Meeting, Directors shall be elected by the Primary Members, reports of the Officers and committees shall be presented, and any other business that may be proper to bring before said meeting shall be considered.

Section 3: Other Board and Member meetings shall be called by the Recording Secretary on order of the President, or by written request of any three (3) Directors or fifteen (15) Primary Members in Good Standing.

Section 4: Any fifteen (15) Primary Members in good standing shall constitute a quorum for a Member Meeting.

Section 5: A Primary Member that is not in Good Standing shall not be allowed to take part in any Member Meeting or in any election of Directors.

#### **ARTICLE IV – Committees**

Section 1: The Association shall have the following permanent committees: Maintenance and Improvement, Social, Fire, and Finance, and may from time to time establish any other permanent or ad-hoc committee deemed appropriate by the Board. The Board shall provide each committee with its “charge” (i.e., the committee’s duties and obligations) and shall appoint the chairpersons of such committees. The Board shall appoint at least one Director to serve on each permanent committee and may appoint any person to serve on an ad-hoc committee.

Section 2: Each chairperson shall designate the number of committee members and appoint the other members of the committee. A committee chairperson(s) may be an Officer or Director of the Association.

Section 3: Each permanent committee member shall serve for a term of one (1) year and until such committee member’s successor is duly appointed. Each member of other committees shall serve for one (1) year or until such committee member’s successor is duly appointed, unless the Board terminates such committee prior thereto.

Section 4: Vacancies in committee chairpersons shall be filled promptly by the Board. Upon the appointment of a new committee chairperson, such new chairperson shall have the right, but not the obligation, to revise the previously established number of committee members and individuals serving on such committee.

Section 5: Vacancies in committee membership shall be filled promptly by the chairperson of such committee.

#### **ARTICLE V - Duties of the Committees**

Section 1: The Maintenance and Improvement Committee shall study the conditions of the beach and other Association properties and make recommendations to the Board for any ongoing maintenance, sanitation and improvements that will benefit the Association.

Section 2: The Social Committee shall arrange for such entertainment as it or the Board deems advisable for the benefit of the Association.

Section 3: The Fire Committee shall work with the Town of Waterford fire departments on matters of mutual interest.

Section 4: The Finance Committee shall approve all bills, prepare a budget for the succeeding fiscal year and make all arrangements for financing any undertaking that may be decided by the Board or any meeting of the Association.

Section 5: Other permanent and ad-hoc committees shall perform the duties as described in the charge given by the Board.

## **ARTICLE VI –Duties of the Officers**

Section 1: The President shall preside at all Association meetings and see that the instructions of the meetings are carried out. The President shall have general supervision of the affairs of the Association.

Section 2: The Vice President shall take over all of the duties of the President in the President's absence and assist the President in all ways possible.

Section 3: The Recording Secretary shall keep a record of all Association and Board meetings and keep a correct record of all Primary and Household Members. The Recording Secretary shall attend to all Association correspondence and receive all communications designed to be presented to the Association. The Recording Secretary shall also keep a record of applications for membership and the disposition thereof.

Section 4: The Financial Secretary shall receive all moneys paid into the Association and promptly pay the same to the Treasurer; keep complete and accurate accounts of the Association's financial records; send each Primary Member a statement of assessments, dues and fees and provide a receipt of same when paid if requested to do so. The Financial Secretary shall be bonded through a reliable bonding company, provided such bond is reasonably available at a reasonable cost.

Section 5: The Treasurer shall receive all moneys received from the Financial Secretary; pay all bills when properly approved; keep a complete and accurate record of the same; have the books in proper form before the Annual Meeting; make a report of the Association's financial transactions to the Annual Meeting; and perform any other duties that may properly be assigned by the Board to the Treasurer. The Treasurer shall be bonded through a reliable bonding company, provided such bond is reasonably available at a reasonable cost.

Section 6: The Board shall make a report of the Board and committee activities at the Annual Meeting and at any other meeting when requested by any Primary Member. The Board shall conduct the business of the Association and carry out the instructions determined at any meeting.

Section 7: Each Officer shall maintain a list of duties and performance of his/her office and review this list with the incoming elected Officer at a meeting convened by the President for this purpose.

Section 8: Any deputy appointed under Article I, Section 1 shall be deemed to have the same authority as the Officer who appointed such deputy.

## **ARTICLE VII - Assessments, Dues, and Fees**

Section 1: There shall be collected each year from the Primary Members assessments, dues, and fees, the amount and method of collection of which shall be set by the Board annually, in its sole discretion, to be used to pay the expenses and obligations of the Association in the approved Annual Budget, and for such other purposes as may be needed in the conduct of the affairs of the Association as may be approved by the Primary Members at any meeting called for that purpose.

Section 2: Assessments, dues, and fees are due and payable on or before May 1. If not paid before June 1, the Primary Member failing to pay shall become delinquent and no longer in Good Standing. If assessments, dues, and fees are not paid before July 1, the Board, in its sole and absolute discretion, may take action, including immediate termination of the membership of the Primary Member and Household Members.

### **ARTICLE VIII - Auditors**

At any time, the President may, and shall upon the vote of any three (3) Directors, appoint an auditor or auditors, whose duty it shall be to review the books of the Financial Secretary and Treasurer, and report to the Board and to the Annual Meeting.

### **ARTICLE IX – Annual Budget & Expenses**

Section 1: **Annual Budget.** Notwithstanding anything to the contrary in these By-laws, the Board shall annually, on or before the third Saturday in March, approve and recommend to the Association members adoption of a proposed budget for the fiscal year from July 1 of the current year to June 30 of the following year (the “Annual Budget”). Not later than five (5) days after such Board action, the Board shall (a) provide the proposed Annual Budget to each Primary Member along with a detailed summary and narrative of the budget describing each budgeted line item in sufficient detail; (b) provide notice of a Member meeting to be held no later than fourteen (14) days prior to the last Saturday in April, and (c) provide notice of a Member meeting to be held on the last Saturday in April to approve or disapprove the Annual Budget. At the Member meeting to be held under subsection (b), any Primary Member may propose a reduction in one or more line items in the Board’s proposed budget. If the proposed reduction is seconded by another Primary Member, the Board shall discuss and vote to approve or reject the proposed reduction(s) before the Board finalizes the Annual Budget. At the Member meeting to approve or reject the Board’s final Annual Budget, the Annual Budget will be approved unless fifty-one percent (51%) of Primary Members vote to reject the Annual Budget. The absence of a quorum at such meeting or participating in the vote shall not affect rejection or approval of the Annual Budget. If the proposed Annual Budget is rejected, the Annual Budget last approved by the Primary Members continues until a subsequent Annual Budget is approved by a vote of the Primary Members. Other than as provided in Sections 2, 3 and 4 of this Article IX, no Officer, Director or committee member is authorized to pay or to bind the Association to pay any expenditure that is not included in the Annual Budget.

Section 2: **Payment of Budgeted Items.** All bills payable by the Association for amounts that were included in the current year Annual Budget shall be reviewed and approved by the chairperson of the committee which contracts for such goods or services or is responsible for payment of such amount, or if there is no such responsible chairperson or committee, by an Officer, then submitted to the Treasurer for payment. No such bill shall be paid if the amount of such bill is more than ten percent (10%) in excess of the amount included in the current year Annual Budget for such item.

Section 3: **Unbudgeted Minor Expenditures.** Officers are authorized to bind the Association with respect to a bill or liability payable by the Association for a single purchase or service not to exceed two hundred dollars (\$200), if such purchase or service is directly related to (a) beach and general maintenance costs, (b) Association administrative expenses, or (c) information technology (IT) expenses. Officers may not bind the Association to pay for purchases or

services in installments of two hundred dollars (\$200) or less to avoid the limitation set forth herein. Notice of liability or expenditure shall be given by such Officer to the Board promptly after being incurred or paid.

**Section 4: Emergency Expenditures.** In emergency situations where severe or irreparable harm to Association members or property would occur if immediate action were not taken, as determined by the affirmative vote of two-thirds (2/3) of the members of the Board, expenditures up to the lesser of twenty-five thousand dollars (\$25,000) or twenty percent (20%) of the current year Annual Budget may be made by the Board. Notice of such vote and expenditure must be given to Primary Members within fourteen (14) days after such Board action.

#### **ARTICLE X -Duties of the Members**

It shall be the duty of all Members to assist the Officers of the Association in all ways possible in the objectives of the Association and shall hold themselves responsible to report or prevent any abuse, filling in or befouling of the properties owned or leased by the Association and the tidal waters adjacent thereto.

#### **ARTICLE XI - Disposal of Real Estate**

The Association's real estate and assets shall not be transferred, sold or otherwise disposed of except by a two-thirds (2/3) vote of the Primary Members at a regular or special meeting called for that purpose. However, such proposal must be presented and read at a regular or special meeting at least thirty (30) days before such action is taken, and due notice of such meeting given to the Primary Members. The proceeds of any such sale shall be placed in trust until disposition can be resolved by the Primary Members upon the recommendation of the Board.

#### **ARTICLE XII - Method of Amendment**

These By-laws may be amended by an affirmative vote of two-thirds (2/3) of all votes cast by Primary Members; provided further that the number of votes cast is not less than fifty percent (50%) of the total number of Primary Members in Good Standing. Notice of any proposed changes to the By-laws shall be given to Primary Members not less than thirty (30) days prior to the vote. No change may be voted upon that has not been properly noticed. Amendments of the By-laws shall be effective on approval unless otherwise provided in the amendments.

#### **ARTICLE XIII-Method of Voting**

At any meeting of the Members, votes may be cast by Primary Members in person, by proxy, or electronically.

**Section 1: Voting by Proxy** - Voting by proxy is permitted. A proxy vote may be discretionary (unlimited and undirected) or nondiscretionary (limited and directed) to the proxy holder. All proxies must be filed with the Recording Secretary prior to any meeting. A Primary Member may designate any person age eighteen (18) or over as his/her proxy (membership in the Association shall not be required of any proxy holder). All proxies shall be in writing and signed by the Primary Member issuing the proxy. A proxy shall be revocable by written notice to the Recording Secretary up until the commencement of the meeting. A proxy holder shall not cast votes representing more than five (5) Primary Members pursuant to discretionary proxies.

**Section 2: Voting Electronically** - Voting electronically at any meeting of the Association may be permitted. The form of electronic voting shall be determined by the Board and shall either be by way of email or via a secured web portal established by the Board for that purpose. The Board shall notify the Primary Members as to the form of electronic voting that is permitted. All electronic votes must be received by the Recording Secretary no later than twenty-four (24) hours prior to the commencement of the meeting.

**Section 3: Voting Rights** – Notwithstanding anything to the contrary contained in these By-laws, there shall be one (1) vote per Household to be exercised by the Primary Member or Primary Members acting jointly or, in the case of an entity owner, by its legally designated representative.

#### **ARTICLE XIV – Office and Books and Records**

Section 1: **Office.** The office of the Association shall be located at such place as the Board may determine from time to time.

Section 2. **Books and Records.** There shall be kept at the office of the Association complete and accurate books of account of the Association activities, receipts and disbursements, and other transactions of the Association, including without limitation the Association’s minute book, which shall contain the Certificate of Incorporation and any amendments, these By-laws and any amendments, the Association membership list, all minutes of meetings of the Board, records of any actions taken by the Board other than at a meeting, actions of committees of the Board taken while acting in place of the Board, financial statements and reports, contracts, deeds, easements and such other records as the Recording Secretary may deem appropriate. The Association’s books and records shall be available for examination and copying by any Primary Member, or such Primary Member’s duly authorized agents or attorneys, during normal business hours, upon five (5) business days’ notice, as provided in the Act.

#### **ARTICLE XV – Indemnification**

Section 1: **General.** To the fullest extent authorized under Connecticut law, the Association shall indemnify and hold harmless any Director, Officer, employee, or agent, or former Director, Officer, employee, or agent of the Association, (each of the foregoing Directors, Officers, employees, and agents referred to in this Section individually as an “**Indemnitee**”), against expenses actually and necessarily incurred by such Indemnitee in connection with the defense of any action, suit, or proceeding in which that Indemnitee is made a party by reason of being or having been such Director, Officer, employee, or agent.

Section 2: **Expenses.** Expenses (including reasonable attorneys’ fees) incurred in defending a civil or criminal action, suit, or proceeding may be paid by the Association in advance of the final disposition of such action, suit, or proceeding, if authorized by the Board, upon receipt of an undertaking by or on behalf of the Indemnitee to repay such amount if it shall ultimately be determined that such Indemnitee is not entitled to be indemnified hereunder.

Section 3: **Insurance.** The Association may purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee, or agent against any liability asserted against such person and incurred by such person in any such capacity or arising out of such person’s status as such.