

BYLAWS OF THE COMMUNITY ASSOCIATION OF GREATER ST. JAMES INC.



Revision 1

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MISSION AND PURPOSES

The mission of the Community Association of Greater St. James (the “Corporation”) is to bring people together who share a passion for making our neighborhood a better place to live. The association will continue efforts to keep our community a safe, attractive and desirable place to live.

The purposes for which the Corporation is formed are as follows:

1. To exercise, promote and protect the privileges and interests of the community.
2. To foster a healthy interest in the civic affairs of the community.
3. To develop good citizenship and civic pride.
4. To inquire into civic abuses and to seek reformation thereof.
5. To do any other act or thing incidental to or connected with the foregoing purposes or in advancement thereof but not for the pecuniary profit or financial gain of its members, directors, or officers.

ARTICLE I MEMBERS

Section 1 Membership

Membership shall be open to all persons eighteen (18 years of age or older and domiciled in St James, Nissequogue or Head of the Harbor or any business with a physical location in St James, Nissequogue or Head of the Harbor interested in the purposes of the Corporation and anyone eighteen (18) years of age or older not defined above but who is domiciled within the St James Fire District.

A member in good standing shall be defined as one member having paid the current annual dues.

NOTE: One membership per family or business

Section 2 Membership Dues

The Board of the Corporation (the "Board") may establish such other criteria for Membership, including a schedule of dues, as they deem appropriate.

Section 3 Classes of Membership

The Corporation shall have one class of Membership.

Section 4 Privacy

The information obtained by the Corporation for membership shall not be shared with other members and/or the general public.

Section 5 Meetings

The annual meeting of the Members (the "Annual Meeting of the Members") for the election of the Directors and for the transaction of such other business as may come before the Members, including the delivery of a financial statement (explicitly referenced in statute) shall be held each year at the place (which may be either within or outside the State of New York), time and date, in the month of November as may be fixed by the Board, or, if not so fixed, as may be determined by the President of the Board. Special Meetings shall be held whenever called by resolution of the Board, the President of the Board or by a written demand to the Secretary of ten percent (10%) of the Members eligible to vote. The Secretary upon receiving the written demand or resolution shall promptly give notice of such meeting as provided below, or if the Secretary fails to do so within five business days thereafter, any member signing such demand may give such notice.

Section 6 Notice of Meetings

Written notice of the place, date and hour of any meeting shall be given to each member entitled to vote at such meeting by mailing the notice by email, unless specifically requested by the member, not less than ten nor more than fifty days before the date of the meeting. Notice of special meetings shall indicate the purpose for which they are called and the person or persons calling the meeting.

Section 7 Quorum, Adjournments of Meetings

At all meetings of the Members, ten percent (10%) of the Members eligible to vote (or 100 Members eligible to vote, whichever is less), present in person or by proxy, shall constitute a quorum for the transaction of business. In the absence of a quorum, the Members present in person shall adjourn the meeting from that time until a quorum is present. At the meeting at which the adjournment is taken,

and at the new meeting any business may be transacted which might have been transacted at the meeting as originally called.

Section 8 Organization

The President of the Corporation shall preside at all meetings of the Members or, in the absence of the President, an acting President shall be the 1st Vice President. In the absence of the President and 1st Vice President, an acting President shall be the 2nd Vice President. In the absence of the President, 1st Vice President and 2nd Vice President, an acting President shall be decided by the Board. The Secretary of the Corporation shall act as Secretary at all meetings of the Members, but in the absence of the Secretary, the presiding Member may appoint any person to act as Secretary of the meeting.

Section 9 Voting

At any meeting of the Members, each Member present, in person or by proxy, shall be entitled to one vote. Upon demand of any member, any vote for Directors or upon any question before the meeting shall be by ballot. Prior to January 1, 2018, all Members as of the date and time of the vote shall be eligible to vote. From January 1, 2018 forward, the record eligibility of voting rights shall be Ninety (90) Days before the Vote.

NOTE: One family or business shall be entitled to one (1) vote.

Section 10 Proxy

Every member entitled to vote at a meeting of Members or to express consent or dissent without a meeting may authorize another voting Member or Members to act for such member by proxy. Every proxy must be in writing and signed by the Member or the Member's duly authorized officer, director, employee or agent, or by email and set forth information from which it can be reasonably determined that the proxy was authorized by that member. No proxy shall be valid after the expiration of eleven months 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. For the purposes of conducting meetings, all proxies shall be delivered to the Secretary or, upon the absence of the Secretary, the presiding Member appointed to act as secretary of the meeting.

Section 11 Action by the Members

Except as otherwise provided by statute or by these Bylaws, any corporate action authorized by a majority of the votes cast at a meeting of Members shall be the act of the Members. Action may be taken without a meeting on written consent, setting forth the action to be taken, signed by all of the Members. Such consent may be written or electronic. If the consent is written, it must be signed by the Member. If the consent is electronic it must be able to be reasonably determined to have been sent by the Member.

Section 12 Adoption of the Bylaws

The Board shall call for a Special Meeting of the Members to adopt the bylaws (or the bylaws may be adopted at the Annual Meeting of the Members). The proposed bylaws are to be circulated to the Members in the same manner as stated in Article I, Section 6. A majority of the votes cast at the Annual Meeting or the Special Meeting of the Members to adopt the bylaws shall be the act of the Members.

Section 13 Special Actions Requiring Vote of Members

The following corporate actions may not be taken without approval of the Members:

- a) a plurality of the votes cast at a meeting of the Members is required for the election of the Directors of the Corporation;
- b) a majority of the votes cast at a meeting of the Members is required for (1) any amendment of the certificate of incorporation, or (2) petition for judicial dissolution;
- c) two-thirds of the votes cast at a meeting of the Members is required for (1) disposing of all, or substantially all, of the assets of the Corporation, (2) approval of a plan of merger, (3) authorization of a plan of non-judicial dissolution, or (4) revocation of a voluntary dissolution proceeding, provided, however, that the affirmative votes cast in favor of any action described in this subsection (c) shall be at least equal to the minimum number of votes necessary to constitute a quorum. Blank votes or abstentions shall not be counted in the number of votes cast.

Section 14 Conduct Unbecoming of a Member

Removal of Member for Conduct Unbecoming: Any member who behaves in a manner that is unbecoming or that is beneath the standards of the Corporation may, at the sole discretion of the Board, be issued a written warning detailing the conduct and/or actions performed that were unbecoming or beneath the standards of the Corporation and warned that any similar actions could or will result in the removal of their membership from the Corporation.

Additionally, any conduct or behavior of a member that is so egregious that the above described warning would not be sufficient in the discretion of the Board (ie., criminal behavior), the Board has the authority to remove the member without issuing a warning, written or otherwise, prior to removal of said member. This section is subject to Article III, Section 11 and Article III, Section 12.

ARTICLE II OFFICES

The principal office of the Corporation shall be in the County of Suffolk, State of New York. The Corporation may also have offices at such other places as the Board of Directors (the "Board") may from time to time determine or the business of the Corporation may require.

ARTICLE III BOARD OF DIRECTORS

Section 1 Powers and Duties

The Board shall have general power to control and manage the affairs and property of the Corporation subject to applicable law and in accordance with the purposes and limitations set forth in the Certificate of Incorporation and herein.

- a) The Board may:
 - i) Appoint and discharge advisors and consultants who have skills necessary or helpful to the Corporation.
 - ii) Employ and discharge persons for the furtherance of the purposes of the Corporation.
 - iii) Exercise all other powers necessary to manage the affairs and further the purposes of the Corporation in conformity with the Certificate of Incorporation and these Bylaws.
- b) The Board shall:
 - i) Direct the President and Treasurer of the Corporation to present at the annual meeting of the Board a financial report, verified by the President and Treasurer or a majority of the Directors, or certified by an independent public accountant or certified public accountant or a firm of such accountants selected by the Board. This report shall be filed with the records of the Corporation and a copy or abstract thereof entered in the minutes of the proceedings of the annual meeting of the Board.
 - ii) Select all Officers for the Corporation and approve the members of any standing committee appointed by the President.

Section 2 Number

The number of Directors constituting the entire Board shall be not less than three (3) and not more than twenty-five (25) Subject to such minimum, the number of Directors may be increased or decreased from time to time, by resolution of the Board, but such action by the Board shall require a vote of a majority of the entire Board and no decrease shall shorten the term of any incumbent Director. The "entire Board" shall consist of the number of Directors that were elected as of the most recently held election of Directors.

Section 3 Election and Term of Office

The initial Directors shall be the persons named in the Certificate of Incorporation and shall serve until the first annual meeting of the Board. The Directors shall hold office for a two (2) year term; provided, however, that any Director elected to fill an unexpired term (whether resulting from the death, resignation or removal or created by an increase in the number of Directors) shall hold office until the next annual meeting at which the election of Directors is in the regular order of business and until his successor is elected or appointed and qualified. Directors may be elected to any number of consecutive terms.

Section 4 Qualification for Directors

Each Director shall be at least 18 years of age and must be a member of the Corporation in good standing for a minimum of one (1) year and ten (10) signatures from ten (10) different members shall be required to be nominated for election to the Board of Directors.

Each nominee will submit their name and required signatures to the Board at least five (5) days prior to the annual meeting.

Note: One (1) year requirement is effective January 1, 2018 and forward.

Section 5 Removal

Any Director may be removed at any time for cause by a vote of Directors then in office at a scheduled meeting or special meeting of the Board called for that purpose. Failure to attend 3 consecutive scheduled board meetings or failure to attend 60% of scheduled meetings may be cause for a vote for removal.

Section 6 Resignation

Any Director may resign from the Board at any time. Such resignation shall be made in writing, and shall take effect at the time specified therein, and if no time be specified, at the time of its receipt by the Corporation or the President. The acceptance of a resignation by the Board shall not be necessary to make it effective, but no resignation shall discharge any accrued obligation or duty of a Director.

Section 7 Vacancies and Newly Created Directorships

Any newly created Directorships and any vacancies on the Board arising at any time and from any cause may be filled at any meeting of the Board by a majority of the Directors then in office, regardless of their number. The Directors so elected shall serve until the next annual meeting at which the election of Directors is the regular order of business and his successor is elected or appointed or qualified. A vacancy in the Board shall be deemed to exist on the occurrence of any of the following:

- a) the death, resignation or removal of any Director;
- b) an increase in the authorized number of Directors by resolution of the Board; or
- c) the failure of the Directors, at any annual or other meeting of Directors at which any one or more Directors are to be elected, to elect the full authorized number of Directors to be voted for at that meeting.

Section 8 Meetings

Meetings of the Board may be held at any place as the Board may from time to time fix. The annual meeting of the Board shall be held in November of each year or at a date, time and place fixed by the Board at such time the Board shall receive an annual report. Other regular meetings of the Board shall be held no less than three (3) times evenly spaced during the year at a time and place fixed by the Board. Special meetings of the Board shall be held whenever called by the President of the Board or any Director upon written demand of not less than three Directors of the Board, in each case at such time and place as shall be fixed by the person or persons calling the meeting.

Section 9 Notice of Meetings

Regular meetings may be held without notice of the time and place if such meetings are fixed by the Board. Notice of the time and place of the annual meeting, each regular meeting not fixed by the Board and each special meeting of the Board which notice shall, in the case of each annual and special meeting, be accompanied by a written agenda setting forth all matters upon which action is proposed to be taken shall be:

- a) delivered to each Director by e-mail or facsimile at least five (5) days before the day on which the meeting is to be held; or,
- b) mailed to each Director, postage prepaid, addressed to him or her at his or her residence or usual place of business (or at such other address as he or she may have designated in a written

request filed with the Secretary at least seven (7) days before the day on which the meeting is to be held).

To discuss matters requiring prompt action, notice of special meetings may be sent to each Director by e-mail, facsimile, or telephone, or given personally, no less than forty-eight hours before the time at which such meeting is to be held, unless the meeting must be held within forty-eight hours. Notice of a meeting need not be given to any Director who submits a signed waiver of notice whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to him or her. Waivers of notice sent by email must be able to be reasonably determined to be sent by the Director. No notice need be given of any adjourned meeting.

Section 10 Quorum

Unless a greater proportion is required by law, the quorum shall be a majority of the entire Board. (i.e., 50% plus one vote).

Section 11 Voting

Except as otherwise provided by law or these Bylaws, at any meeting of the Board at which a quorum is present, the affirmative vote of a majority of the Directors present at the time of the vote shall be the act of the Board. If at any meeting of the Board there shall be less than a quorum present, the Directors present may adjourn the meeting until a quorum is obtained. Any one or more Directors of the Board or any committee thereof may participate in a meeting of the Board or committee by means of telephone, video conference or similar communications equipment provided that all persons participating in the meeting can hear each other at the same time and can participate in all matters before the board. Participation by such means shall constitute presence in person at a meeting. The following acts of the Board require the affirmative vote of at least two-thirds (2/3) of the entire Board:

- a) a purchase, sale, mortgage or lease of real property of the Corporation if the property constitutes all or substantially all of the assets of the Corporation;
- b) a sale, lease, exchange or other disposition of all or substantially all of the assets of the Corporation; or
- c) an alteration to these Bylaws or Certificate of Incorporation of the Corporation that would increase the quorum requirement or vote requirement to greater than a majority of the Board present at the time of the vote.

Section 12 Action by the Board

Any action required or permitted to be taken by the Board or any committee thereof may be taken without a meeting if all Directors of the Board or the committee consent in writing to the adoption of a resolution authorizing the action. Such consent may be written or electronic. If the consent is written, it must be signed by the director. If the consent is electronic it must be able to be reasonably determined to have been sent by the director. The resolution and the written consents thereto by the Directors of the Board or committee shall be filed with the minutes of the proceedings of the Board or committee.

Section 13 Compensation

No compensation of any kind shall be paid to any Director for the performance of his or her duties as Director. This shall in no way limit the reimbursement of reasonable expenses incurred in connection with board service. Subject to the Corporation's Conflicts of Interest Policy provided that there is full disclosure of the terms of such compensation and the arrangement has been determined to be fair and reasonable and approved by the Board, a Director may receive payment for services provided to the Corporation in any capacity separate from his or her responsibilities as a Director.

ARTICLE IV OFFICERS, EMPLOYEES AND AGENTS

Section 1 Number and Qualifications

The Officers of the Corporation shall be a President, 1st Vice-Presidents, 2nd Vice-President, a Secretary and a Treasurer and such other Officers, if any, as the Board may from time to time appoint. One person may hold more than one office in the Corporation except that no one person may hold the offices of President and Secretary. The President shall be a Director of the Corporation and shall not be an employee of the Corporation. The other Officers may, but need not, be Directors of the Board. No instrument required to be signed by more than one Officer may be signed by one person in more than one capacity.

Section 2 Election and Term of Office

The Officers of the Corporation shall be elected for a one (1) year term at the first Board Meeting of newly constituted board after Annual Meeting of members, and each shall continue in office until his or her successor shall have been elected and qualified, or until his or her death, resignation or removal.

Section 3 Employees and Other Agents

The Board may from time to time appoint such employees and other agents as it shall deem necessary, each of whom shall hold office at the pleasure of the Board, and shall have such authority and perform such duties and shall receive such reasonable compensation, if any, as the Board may from time to time determine. To the fullest extent allowed by law, the Board may delegate to any employee or agent any powers possessed by the Board and may prescribe their respective title, terms of office, authorities and duties.

Section 4 Removal

Any Officer, employee or agent of the Corporation may be removed with or without cause by a vote of the majority of the Board.

Section 5 Vacancies

In case of any vacancy in any office, a successor to fill the unexpired portion of the term may be elected by the Board.

Section 6 President: Powers and Duties

The President shall preside at all meetings of the Board and the Executive Committee. The President shall have general supervision of the affairs of the Corporation and shall keep the Board fully informed about the activities of the Corporation. He or she has the power to sign and execute alone in the name of the Corporation all contracts authorized either generally or specifically by the Board, unless the Board shall specifically require an additional signature. The President shall perform all the duties usually incident to the office of the President and shall perform such other duties as from time to time may be assigned by the Board.

Section 7 Vice President: Powers and Duties

A Vice- President shall have such powers and duties as may be assigned to him or her by the Board. In the absence of the President the Vice President in the order designated by the Board, shall perform the duties of the President.

Section 8 Secretary: Powers and Duties

The Secretary shall keep the minutes of the annual meeting and all meetings of the Board in books provided for that purpose. He or she shall be responsible for the giving and serving of all notices of the Corporation, receiving the annual disclosure statements required by Article IV, Section 9 and shall perform all the duties customarily incidental to the office of the Secretary, subject to the control of the Board, and shall perform such other duties as shall from time to time be assigned by the Board.

Section 9 Treasurer: Powers and Duties

The Treasurer shall keep or cause to be kept full and accurate accounts of receipts and disbursements of the Corporation, and shall deposit or cause to be deposited all moneys, evidences of indebtedness and other valuable documents of the Corporation in the name and to the credit of the Corporation in such banks or depositories as the Board may designate. At the annual meeting, he or she shall render a report of the Corporation's accounts showing in appropriate detail: (a) the assets and liabilities of the Corporation as of a twelve-month fiscal period terminating not more than six months prior to the meeting; (b) the principal changes in assets and liabilities during that fiscal period; (c) the revenues or receipts of the Corporation, both unrestricted and restricted to particular purposes during said fiscal period; and (d) the expenses or disbursements of the Corporation, for both general and restricted purposes during said fiscal period. Such report shall be filed with the minutes of the annual meeting of the Board. The report to the Board may consist of a verified or certified copy of any report by the Corporation to the Internal Revenue Service or the Attorney General of the State of New York which includes the information specified above. The Treasurer shall, at all reasonable times, exhibit the Corporation's books and accounts to any Officer or Director of the Corporation, and whenever required by the Board, render a statement of the Corporation's accounts and perform all duties incident to the position of Treasurer, subject to the control of the Board.

Section 10 Compensation

Any Officer who is not a Director but is an employee or agent of the Corporation is authorized to receive a reasonable salary or other reasonable compensation for services rendered to the Corporation as an employee or agent when authorized by a majority of the entire Board, and only when so authorized.

Section 11 Sureties and Bonds

In case the Board shall so require, any Officer or agent of the Corporation shall execute for the Corporation a bond in such sum and with such surety or sureties as the Board may direct, conditioned upon the faithful performance of his or her duties to the Corporation and including responsibility for negligence and for the accounting for all property or funds of the Corporation that may come into his or her hands.

ARTICLE V COMMITTEES OF THE BOARD

A committee of the Board is one that shall have authority to bind the corporation and shall be comprised solely of Directors. There may be committees created at the discretion of the Board, as follows:

- a) **Executive Committee.** An Executive Committee which shall consist of at least three Directors, one of whom shall be the President of the Board, who shall also serve as chair of the Executive Committee. The other members of the Executive Committee shall be appointed by the President, subject to the approval of the Board. The Executive Committee shall have all the authority of the Board except as to the following matters:
 - i. the filling of vacancies on the Board or on any committee;
 - ii. the amendment or repeal of the Bylaws or the adoption of new Bylaws;
 - iii. the amendment or repeal of any resolution of the Board which by its terms shall not be so amendable or repealable; and
 - iv. the fixing of compensation of the Directors for serving on the Board or any committee.
- b) **Finance Committee.** A Finance Committee which shall consist of at least three (3) Directors, one of whom shall be the Treasurer. The other members of the Finance shall be appointed by the President of the Board, subject to the approval of the Board. The Finance Committee shall advise the Treasurer and the Board in regard to the investments and general fiscal policy of the Corporation.
- c) **Audit Committee.** An Audit Committee comprised at least three (3) directors each of whom is an Independent Director as defined in Article XV, Section 3. The members of the Audit Committee shall be appointed by the President of the Board, subject to the approval of the Board.
- d) **Other Committees of the Board.** The Board, by resolution adopted by a majority of the entire Board, may establish and appoint other committees of the Board consisting of at least three Directors with such powers and duties as the Board may prescribe. The members of such committees shall be appointed by the President of the Board, subject to the approval of the Board.

ARTICLE VI COMMITTEES OF THE CORPORATION

Section 1 Powers

The Board by resolution may appoint from time to time any number of persons as advisors of the Corporation to act either singly or as a committee or committees of the Corporation. Each advisor shall hold office during the pleasure of the Board and shall have only the authority or obligations as the Board may from time to time determine.

Section 2 No Compensation

No advisor to the Corporation shall receive, directly or indirectly, any salary or compensation for any service rendered to the Corporation as a member of a committee of the Corporation, except that the Board may authorize reimbursement of expenditures reasonably incurred on behalf of activities for the benefit of the Corporation.

ARTICLE VII CONTRACTS, CHECKS, BANK ACCOUNTS AND INVESTMENTS

Section 1 Checks, Notes and Contracts

The Board is authorized to select the banks or depositories it deems proper for the funds of the Corporation and shall determine who shall be authorized on the Corporation's behalf to sign checks, drafts or other orders for the payment of money, acceptances, notes or other evidences of indebtedness, to enter into contracts or to execute and deliver other documents and instruments.

Section 2 Investments

The funds of the Corporation may be retained in whole or in part in cash or be invested and reinvested from time to time in such property, real, personal or otherwise, including stocks, bonds or other securities, as the Board may deem desirable.

ARTICLE VIII BOOKS

There shall be kept at the office of the Corporation correct books of account of the activities and transactions of the Corporation including the minute book, which shall contain a copy of the Certificate of Incorporation, a copy of these bylaws, and all minutes of meetings of the Board. These books shall be hardcopy or electronic.

ARTICLE IX FISCAL YEAR

The Fiscal year shall be January 1 through December 31.

ARTICLE X INDEMNIFICATION AND INSURANCE

Section 1 Indemnification

The Corporation shall to the fullest extent now or hereafter permitted by law, indemnify any person made, or threatened to be made, a party to any action or proceeding by reason of the fact that he or she or his or her testator was a Director, officer, employee or agent of the Corporation, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorney fees. No indemnification may be made to or on behalf of any such person if (a) his or her acts were committed in bad faith or were the result of his or her active and deliberate dishonesty and were material to such action or proceeding or (b) he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled in the transaction or matter in which indemnification is sought.

Section 2 Insurance

The Corporation shall have the power to purchase and maintain all insurance policies deemed to be in the best interest of the Corporation including insurance to indemnify the Corporation for any obligation which it incurs as a result of its indemnification of Directors, Officers and employees pursuant to Section 1 above, or to indemnify such persons in instances in which they may be indemnified pursuant to Section 1 above.

ARTICLE XI AMENDMENTS

These Bylaws may be amended or repealed by the Members of the Corporation at a meeting duly called for the purpose of altering these Bylaws. Any amendment or repeal of these Bylaws is authorized only at a duly called and held meeting of the Members for which written notice of such meeting, setting forth the proposed alteration, is given in accordance with the notice provisions for special meetings set forth in Article I, Section 6 of these Bylaws.

ARTICLE XII NON-DISCRIMINATION

In all of its dealings, neither the Corporation nor its duly authorized agents shall discriminate against any individual or group for reasons of race, color, creed, sex, age, ethnicity, national origin, marital status, sexual preference, political affiliation, mental or physical disability or any category protected by state or federal law.

ARTICLE XIII REFERENCE TO THE CERTIFICATE OF INCORPORATION

References in these Bylaws to the Certificate of Incorporation shall include all amendments thereto or changes thereof unless specifically excepted by these Bylaws. In the event of a conflict between the Certificate of Incorporation and these Bylaws, the Certificate of Incorporation shall govern.

ARTICLE XIV CONFLICT OF INTEREST

The Board shall enact and maintain a Policy concerning potential Conflict of Interests.

ARTICLE XV DEFINITIONS

Section 1 Affiliate

An affiliate of the Corporation is a person or entity that is directly or indirectly through one or more intermediaries, controlled by, in control of, or under common control with the Corporation.

Section 2 Financial Interest

A person has a Financial Interest if such person would receive an economic benefit, directly or indirectly, from any transaction, agreement, compensation agreement, including direct or indirect remuneration as well as gifts or favors that are not insubstantial or other arrangement involving the Corporation.

Section 3 Independent Director

A member of the Board of Directors (the "Board") who:

- a) Has not been an employee of the Corporation or an Affiliate of the Corporation within the last three years;
- b) Does not have a Relative who has been a Key Employee of the Corporation or an Affiliate of the Corporation within the last three years;
- c) Has not received and does not have a Relative who has received more than \$10,000 in compensation directly from the Corporation or an Affiliate of the Corporation in any of the last three years (not including reasonable compensation or reimbursement for services as a Director, as set by the Corporation);
- d) Does not have a substantial Financial Interest in and has not been an employee of, and does not have a Relative who has a substantial Financial Interest in or was an Officer of, any entity that has made payments to or received payments from, the Corporation or an Affiliate of the Corporation in excess of the lesser of: (a) \$25,000 or (b) 2% of the Corporation's consolidated gross revenue over the last three years (payment does not include charitable contribution);
- e) Is not in an employment relationship under control or direction of any Related Party and does not receive payments subject to approval of a Related Party;
- f) Does not approve a transaction providing economic benefits to any Related Party who in turn has approved or will approve a transaction providing economic benefits to the Director.

Section 4 Key Employee

A Key Employee is a person who is, or has within the last five years, been in a position to exercise substantial influence over the affairs of the Corporation. This includes, but is not limited to:

- a) Voting members of the Board;
- b) Presidents, chief executive officers, chief operating officers or employee of any other title with similar responsibilities;
- c) Treasurers and chief financial officers or employee of any other title with similar responsibilities; or
- d) A "highly compensated" employee, within the meaning of Section 4958 of the Internal Revenue Code and guidance issued by the Internal Revenue Service, who is in a position to exercise substantial influence over the affairs of the Center.

Section 5 Related Party

Persons who may be considered a Related Party of the Corporation or an Affiliate of the Corporation under this Policy include:

- a) Directors, Officers, or Key Employees of the Corporation or an Affiliate of the Corporation;
- b) Relatives of Directors, Officers, or Key Employees;
- c) any entity in which a person in (i) or (ii) has a 35% or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%;
- d) Founders of the Corporation;
- e) Substantial contributors to the Corporation (within the current fiscal year or the past five fiscal years);
- f) Persons owning a controlling interest (through votes or value) in the Corporation;
- g) Any non-stock entity controlled by one or more Key Employees.

Section 6 Relative

A Relative is a spouse, ancestor, child (whether natural or adopted), grandchild, great grandchild, sibling (whether whole or half blood), or spouse of a child (whether natural or adopted), grandchild, great grandchild or sibling (whether whole or half blood), or a domestic partner as defined in section 2994-A of the New York Public Health Law.