



**BY-LAWS OF
THE ASSOCIATION
OF PROPERTY OWNERS OF
SLEEPY HOLLOW LAKE, INC.**

The Association of Property Owners
of Sleepy Hollow Lake, Inc.

Unit 1095, 92 Randy Road
Athens NY 12015
(518) 731-6175
www.sleepyhollowlake.org

TABLE OF CONTENTS

Purposes	1
Article I Definitions	1
Article II Association Membership	3
Article III Evidence of Membership and Transfer	4
Article IV Meeting of Members	5
Article V The Directors	7
Article VI The Officers	12
Article VII Powers and Assessments	13
Article VIII Indemnification of Directors	14
Article IX Amendments	15
Article X Declaration of Protective Covenants	15

BY-LAWS OF
THE ASSOCIATION OF PROPERTY OWNERS OF SLEEPY HOLLOW LAKE, INC.
(AMENDED SEPTEMBER 25, 1982)

PURPOSES

This Association is organized under the Laws of New York State as a Not-for-profit Corporation. The purpose for organizing this Association is non-pecuniary, i.e., though the Association has a business purpose, its basic purpose is not to make money.

Specifically, the Association will have the following purpose:

To establish, promulgate and enforce codes and rules for all the members of the Association for the harmonious and efficient operation and management of all aspects of the Subdivision, including but not limited to providing mutual and beneficial restrictions on the use and development of each Lot in the Subdivision and the use of the Common Areas, in the Subdivision, providing a means and method for perpetual government, control and maintenance of the Subdivision, and providing a means and method for promoting fellowship, brotherhood and sociability among the members.

ARTICLE I
DEFINITIONS

The following terms, as used in these By-Laws, are defined as follows:

- (a) "ASSOCIATION" means the Association of Property Owners of Sleepy Hollow Lake, Inc., a New York Not-for-profit Corporation.
- (b) "BOARD" means the Board of Directors of the Association.
- (c) "BY-LAWS" means the code or codes or rules adopted for the regulation or management of the affairs of the Corporation, irrespective of the name or names by which such rules are designated.
- (d) "COMMON AREAS" means all property included from time to time within the definition of "COMMON AREAS" set forth in the Declarative of Protective Covenants.
- (e) "CONDUCTING OF ACTIVITIES" means the operations for the conduct of which such Corporation is formed and may constitute 'doing of business' or 'transaction of business' as those terms are used in the Statutes of New York State.
- (f) "DECLARATION" means the Declaration of Protective Covenants, dated March 27, 1972, and recorded in the County Clerk's Office, County of Greene, State of New York, in Book 458, Page 612 and as amended from time to time.
- (g) "LOT" means any numbered lot on the Plat except utility lots and other excluded lots and parcels as filed and recorded in the County Clerk's Office, County of Greene, State of New York, in Book 458, Page 612 and any revision thereof.
- (h) "SUBDIVISION" means "Sleepy Hollow Lake", a community as the same may be shown on maps thereof recorded from time to time.
- (i) "OWNER" means:
 - 1. Any person or entity who holds fee title to a Lot or an undivided interest in fee title to a Lot; or
 - 2. Any person or entity who has constructed to purchase fee title to a Lot or an undivided interest in fee title to a Lot under a written agreement, in which case the seller, under said agreement, shall cease to be the Owner while said agreement is in effect; or
 - 3. Any lessee of a Lot, under a recorded lease, from the Owner of fee title to said Lot, for a term of not less than fifty (50) years in which case, the lessor, under said lease, shall cease to be the Owner, while said lease is in effect.

These By-Laws and terms utilized herein, unless specifically defined herein, shall be construed and interpreted in accordance, and pursuant to, the New York State Not-for-profit Corporation Law.

Whenever the terms defined above are used herein, it is intended that these terms be interpreted precisely as defined even though the terms are not set-off by quotation marks or capitalized.

ARTICLE II
ASSOCIATION MEMBERSHIP

Section 1. Classes of Members. There shall be two (2) classes of Members: Members and Associate Members.

Section 2. Members. Each Owner shall, by reason of ownership, become a Member of the Association with voting privileges. There shall be one voting Member for each Lot, regardless of the number of persons who may have an ownership interest in such Lot or the manner in which title is held by them, If more than one person shall have an ownership interest in any Lot, the voting Member shall be designated in writing at the request of the Association.

Section 3. Associate Members. If not otherwise a Member, each of the following shall be entitled to Associate Membership in the Association:

- (a) The spouse and children of a Member who have the same principal residence as the Member.
- (b) Persons who may be tenants or regular occupants of the residence situated within the Subdivision.
- (c) Persons who by virtue of contractual agreements with the original Developer are entitled to membership in the Association.

Associate Members shall have not vote or right to notice of any regular or special meeting of Members. The privileges and duties of Associate Members shall be established from time to time by the Board by resolution. The privileges and duties of Associate Members need not be the same as those of Members.

Section 4. Privileges of Members. Members and Associate Members shall have a license to use the Common Areas, subject to the provisions of the Declaration and subject to such other rules and conditions as may be established by the Board.

Section 5. Suspension of Privileges of Membership. The Board may suspend the voting privilege of any Member and the license of any Member or Associate to use the Common Areas for:

- (a) Any period during which any Association charge on such Member's Lot remains unpaid; and
- (b) The period of any continuing violation by such Member or Associate Member of the provisions of the Declaration after the Existence thereof shall have been declared by the Board; and
- (c) A period, to be determined by the Board, not to exceed three (3) months, for repeated violations of the By-Laws or the rules and regulations of the Association.

Section 6. Notwithstanding anything herein or in the New York State Not-for-profit corporation Law to the contrary, should there be a termination of a member of his membership whether by expiration of the term of membership, or by death, voluntary withdrawal or expulsion or otherwise, no payment whatsoever shall be due him either as his prorata share of the asset of the said Association or as his share of any assessments paid to the Association.

ARTICLE III
EVIDENCE OF MEMBERSHIP AND TRANSFER

Section 1. Membership Certificates. Certificates of membership in the Association may be issued to Members and Associate Members. Such Certificates shall, from time to time, designate and shall be issued over the signature of the President or other lawful officer of the Association. Such Certificate shall indicate whether or not the holder is a Member or an Associate Member and shall also indicate the Lot the ownership of which gives rise to membership. Such Certificate shall also clearly state on its face that the Association is a not-for-profit corporation and that the membership certificate is non-transferable. Adequate records shall be maintained at the office of the Association, showing the names of the Members and Associate Members of the Association, the type of membership and the date of membership.

Section 2. Transfer. When a Member ceases to be an Owner, such person's membership, and those Associate memberships existing through relationships to such persons, shall cease, but such person shall remain liable for all Association charges incurred prior to the giving of written notice to the Association, that such person is no longer an Owner.

ARTICLE IV
MEETING OF MEMBERS

Section 1. Place of Meetings. Any meeting of the Members of the Association shall be held in the State of New York at the place designated in the notice of such meeting.

Section 2. General and Annual Meetings. There shall be two (2) general meetings of the Association, one of which shall be the annual meeting. The annual meeting of the Association shall be held on the second Sunday, in June of each year, commencing with the year 1982.

Section 3. Special Meetings of the Association. Special meetings of the Association may be called by the Board at any time, in the manner herein provided. A special meeting may also be called upon the written petition of ten percent (10%) of the members of the Association, who would have the right to vote at such special meeting. Such petition shall set forth the purpose of the special meeting.

Section 4. Notice of Meetings of the Association. Written notice of the place, date and hour of the meeting and, in the case of a special meeting, the person calling the meeting and the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days nor more than fifty (50) days before the date of the meeting, either personally or by mail, to each Member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the Member, at his address as it appears on the records of the Association, with postage prepaid, or such notice may be published in any newspaper, published in the County, in the State, in which the principal office of the corporation is located, once a week for three (3) successive weeks next preceding the date of the meeting.

Section 5. Quorum. A quorum, at either a special meeting, general meeting or the annual meeting, shall be ten percent (10%) of the Members entitled to vote at such meeting. No proxies will be allowed; however, owners of more than one Lot shall be entitled to as many votes as they own Lots; one vote for each Lot they own and are designated as the voting Member.

Section 6. Voting.

- (a) Voting at Meeting. The only voting that shall take place at Association meetings shall be routine conducting of said meeting, in accordance with Robert's Rules of Order Newly Revised and the acceptance and/or correction of minutes. All other items of business, introduced at such meetings and which require a vote of approval shall be sent to all Members, entitled to vote, by mail ballot.
- (b) Voting by Mail. All voting by mail shall be sent to all Members, entitled to vote, within thirty (30) days of the date of the meeting of the membership, at which said item of business was discussed. All ballots must be received by the Association within thirty (30) days of the date of such ballot, providing the original postmark of such ballot is within five (5) days of such date. The method of mailing the ballot shall be the same as stated in Article V, Section 4.
- (c) Content. Each item to be voted on shall contain an explanation of the item and a summary of pro and con comments discussed at the meeting, where the item was presented.
- (d) Acceptance of Vote. Acceptance of any vote shall be by simple majority of those Members voting and entitled to vote. (One vote for each Lot) unless such item requires a higher percentage of acceptance, in which case such higher percentage shall be so stated on the ballot.
- (e) Mail Voting Quorum. The results of the voting by mail ballot shall be considered valid if twenty percent (20%) of the Members entitled to vote cast a ballot.
- (f) Any item requiring a 2/3 vote of all Members of record shall be mailed on a separate ballot and in such a case, the time limit shall be extended until either 2/3 of the Members approve such item or until 1/3 of the Members disapprove such item. However, in no case, shall such time extension be extended past ten (10) days prior to the Annual Meeting.

ARTICLE V **THE DIRECTORS**

Section 1. Powers. The Board shall:

- (a) Manage, control and conduct the activities of the Association.
- (b) Adopt a corporate seal as the seal of the Association;
- (c) Designate a banking institution or institutions as depository for the Association's funds; and the officer or officers authorized to make withdrawals therefrom and to execute obligations on behalf of the Association;
- (d) Perform other acts and generally the conduction of activities the authority for which has been granted herein, or by law, including but not limited to, the borrowing of money for Association purposes, and the execution of contracts with outside consultants to manage the Association or to manage any aspect of the affairs of the Subdivision. A resolution by the Board that the interest of the Association require the borrowing of money shall be sufficient evidence for any person that the borrowing is for a proper corpo-

rate purpose. The Board may, if it determines that the same shall be reasonably necessary, assign, pledge, mortgage or encumber any Association property as security for such borrowings, and they may pledge or assign future revenues of the Association as security therefor.

- (e) The Board shall adopt such rules and regulations relating to the use of Association property, and sanctions for non-compliance therewith, as it may deem reasonably necessary for the best interests of the Association and its Members. The Board may also establish and levy reasonable fees for the issuance of building permits or the use of Association property. The Board shall also employ a sufficient number of persons to adequately maintain Association property. Further, the rules contained in the current edition of Robert's Rules of Order Newly Revised shall govern the Association in all cases to which they are applicable and in which they are not inconsistent with these By-Laws and any special rules of order the Association may adopt.
- (f) The Board shall, prior to the Annual Meeting of the Association in each year, adopt an operating budget to be presented for approval by the Members. Upon approval, the Board shall, taking into consideration other sources of income that the Association may have, levy the annual assessment for each Lot for the following year. Upon the adoption and approval of the budget, the Board shall be bound by the same and shall not vary therefrom by more than fifteen percent (15%) of the total amount thereof without having to call a special meeting of the Association to approve such variations. The budget shall be adopted only after the Members of the Association shall have had a reasonable opportunity to review the same and to comment thereon, either at hearings held thereon or through such other means as the Board may direct.

Section 2. Number of Directors. The Numbers of the Directors shall be five. (5). Directors must be Members of the Association.

Section 3. Term of Office. The initial Board shall serve for a period of one (1) year. At the June, 1983 election, two (2) directors shall be elected for a term of one (1) year; two (2) directors for a term of two (2) years and one (1) director for a term of three (3) years. The candidate who receives the largest number of votes shall serve for the three (3) year term. The next two (2) highest will serve for two (2) years and the lowest, one (1) year. Thereafter, the term of office shall be for a three (3) year term. No director shall serve for more than three (3) consecutive terms.

Section 4. Election of Director. Election of Directors shall be by written ballot as hereinafter provided:

- (a) Between the first and fifteenth day of each year, any Member, in good standing, may file with the Secretary of the Association, a statement for his or her candidacy for election as a Director of the Association for the term beginning immediately following the first Annual meeting of the Association held after the filing of such statement. The Secretary of the Association shall cause notice of each candidacy and a brief biographical statement of each candidate to be included in the notice of such Annual Meeting.
- (b) All elections to the Board shall be made on written ballot which shall:
 - 1. Describe the vacancy to be filled; and
 - 2. Set forth the names, alphabetically, of those persons who have become candidates for the office of Director. Such ballots shall be prepared and mailed by the Secretary to each Member entitled to vote, simultaneously with the mailing of the notice of the Annual Meeting of the Association.
- (c.) Each Member entitled to vote shall receive one (1) ballot for each Lot for which he is the voting Member.
- (d.) The completed ballots shall be returned as follows: Each ballot shall be placed in a sealed envelope marked "Ballot" but not marked in any other way. Each such "Ballot" envelope shall contain only one (1) ballot, and each voting Member shall be advised that because of verification procedures hereinafter set forth, the inclusion of more than one (1) ballot in any one "Ballot" envelope shall disqualify the return. Such "Ballot" envelope shall be placed in another sealed envelope which shall bear on its face, the name and signature of the Member, his Lot number, and such other information as the Board may determine will serve to establish his right to cast the vote or votes presented in the ballot or ballots contained therein. The ballots shall be returned to the Secretary of the Association at such address as the Board may, from time to time, determine no later than ten (10) days prior to the Annual Meeting.
- (e.) All outside envelopes, ballots and statements of candidacy shall be retained by the Secretary for a period of one (1) year.

Section 5. Meeting of the Board of Directors. The Board shall meet at least quarterly. Special meetings of the Board may be called by the President or by a majority of the Board and shall be held at such place as the call or notice of the meeting shall designate. Notice of a special meeting may be given in writing or orally, at least twenty-four (24) hours

prior to the date of said special meeting, or notice thereof may be waived by the Directors in writing, After the adoption of a resolution setting forth the time of regular meetings, no notice of such meetings shall be required, or waived, but notice of special meetings of the Board shall be given.

Section 6. Quorum. A majority of the Directors shall constitute a quorum to transact business of the Board, and the act of the majority of the Directors present at any meeting shall be deemed to be the act of the Board.

Section 7. Vacancies. If any vacancy exists on the Board, such vacancy shall be filled by the remaining Directors even though those remaining directors might be less than quorum. Any person so elected shall be a Director until the successor is elected at the next Annual Meeting of the Association. The person receiving the next highest number of votes at the next regularly scheduled election shall fill the unexpired term.

Section 8. Removal from Office. Any Director can be removed from office for just and sufficient reason by a 2/3 vote of Members in good standing.

ARTICLE VI **THE OFFICERS**

Section 1. Officers. The officers of the Association shall be the President, one or more Vice-Presidents, the Secretary, the Treasurer and such other officers and assistant officers as the Board may from time to time elect. Officers shall serve at the will of the Board. Any two (2) or more offices may be held by the same person, except the office of President.

Section 2. President. The President shall be the general managerial officer of the Association, except as otherwise determined by the Board, and shall be vested with the powers and duties generally incident to the office of President of a Not-for-profit corporation, except as otherwise determined by the Board, or as may be otherwise set forth in these By-laws.

Section 3. Vice-President. In the absence of the President, the Vice-President is empowered to act and shall thereupon be vested with the powers and duties of the President.

Section 4. Secretary. The Secretary of the Association shall keep the minutes of the business and other matters transacted at the meetings of the Members and of the Board; shall mail, or cause to be mailed, all notices required under these By-laws; shall have the custody of the corporate seal and records and maintain a list of the Members and their addresses and perform all other duties incident to the office of the Secretary.

Section 5. Treasurer. The Treasurer shall have custody of the funds of the Association, collect monies due, pay the obligations of the Associations out of the funds and perform such other duties as are incident to the office of the Treasurer. The Board may require that the Treasurer be bonded for such amount and under such conditions as the Board may require.

Section 6. Removal of Officers. Any officer(s) may be removed by the Board when, in the judgement (sic) of the Board, the best interest of the Association will be served by such removal.

ARTICLE VII **POWERS AND ASSESSMENTS**

Section 1. Power of Assessment and Amount Thereof. The Association shall adopt and promulgate assessments against the Lots and the Owners thereof. To pay the cost of operating, maintaining, repairing and replacing the Common Areas and other costs and expenses incurred by the Association in achieving and furthering its purposes, the Association may levy and collect an uniform annual assessment of a least Two Hundred and Forty dollars (\$240.00), payable on November 1st of the fiscal year. The initial annual assessment against the Lots and the Owners thereof, for the period of November 1, 1981 through October 31, 1982, shall be Two Hundred and Forty Dollars (\$240.00). The Association may increase future annual assessments.

Section 2. Payment of Assessments. The charges or assessments levied by the Association, as provided in Article V, shall be paid to it on or before the date fixed by resolution of the Board. Written notice of the charge or assessment and the date of payment shall be sent to the Owner of each Lot at the address last given by such Owner to the Association. If any charge levied against any Lot shall not be paid when due, it shall become a lien upon said Lot, subject only to matters of record on such due date and shall remain a lien until paid in full. The Board and the Association may bring such action as it shall determine appropriate at law or inequity, by way of foreclosure of such lien or otherwise, to collect the amount of said charges, including interest, finance charges,

cost of collection and attorney fees. The sale or transfer of any Lot shall not effect any lien for charges provided for herein. Upon request, the Association shall furnish a statement certifying that the charges against a specified Lot have been paid or that certain charges remain unpaid, as the case may be.

ARTICLE VIII
INDEMNIFICATION OF DIRECTORS

Section 1. Any person, who becomes a party to a lawsuit, court action, hearing or other legal proceeding, whether civil or criminal, shall be indemnified by the Association to the full extent (sic) permitted by law if the person is made a party by reason of the fact that:

- (a.) the person is or was a Director or Officer of the Association; or
- (b.) the person is or was a Director or Officer of a corporation and served as such a Director or Officer at the request of the Association; or
- (c.) the person is or was an executor, trustee, custodian or beneficiary of an estate of a person described in subsection (a) or (b).

Section 2. A person who qualifies under Section 1. Shall be indemnified by the Association to the full extent permitted by law, against any and all reasonable expenses, including attorney's fees, actually and necessarily incurred by him as a result of such action, suit or proceeding or any appeal thereof, except to the extent not permitted under Section 3. In addition, the person shall be indemnified to the full extent permitted by law against judgements (sic), fines, and amounts paid in settlement resulting from lawsuits, court actions, hearings or other legal proceedings except to the extent not permitted under Section 3.

Section 3. If it is found, determined and adjudged in the lawsuit, court action, hearing or other legal proceeding or thereafter that the person seeking to be indemnified by the Association has breached their duty to the Association, such person shall not be entitled to indemnification. Furthermore, if a person seeks indemnification from the Association for their participation in a lawsuit, court action, hearing or legal proceeding which was not commenced by the Association, or was not brought in its name, they shall not be entitled to an indemnification, unless:

- (a.) they acted in good faith for a purpose of which they reasonably believed to be in the best interest of the Association, and
- (b.) if criminal charges are involved, they had no reasonable cause to believe that their conduct was unlawful.

ARTICLE IX
AMENDMENTS

These By-Laws may be amended by a 2/3 vote of all Members in good standing.

ARTICLE X
DECLARATION OF PROTECTIVE COVENANTS

The Declaration of Protective Covenants should be read in conjunction with these By-Laws and herein are expressly made an integral part hereof.