

The Small Point Club, Inc.
By-laws

Revised August, 1991
Amended August, 1999
Revised July 2006
Amended August 2010

Article 1: Name

The Club organized and existing under these By-laws is The Small Point Club, Inc. of Phippsburg, Maine, a Maine Corporation.

Article 2: Purpose

The purpose of the Club is to provide rooms and meals and a social gathering place for Shareholder Members and Associate Members and their guests. The Club House and Club property shall not be used for the conduct of business and the Members and their guests shall refrain from the display of business papers in the public areas of the Club. Membership is limited to those who intend to use it for these purposes.

Article 3: Government

Section 1. Board of Directors (hereinafter "Board")

The Club shall be governed by a Board consisting of President, Vice-President, Secretary and not less than five, nor more than ten additional directors, including the retiring President who shall serve for one year *ex-officio*. All elected officials shall be Shareholder Members. They shall be elected by secret ballot at the Annual Meeting, and shall have staggered two-year terms of office. No officer or director shall serve more than three successive terms, and may succeed themselves only after a full term has elapsed.

Section 2. Appointments

- a. Treasurer – shall be appointed for two year terms by the Board and need not be a Shareholder Member.
- b. Custodian of Shareholder Member Records – shall be appointed by the Board for an unspecified term, and need not be a Shareholder Member.
- c. Membership Secretary – shall be appointed by the Board for a two year term and must be a Shareholder Member.
- d. Clerk of the Corporation – must be a Maine resident, shall be appointed by the Board for an unspecified term, and need not be a Shareholder Member.

Section 3. Nominations

- a. The Board shall annually appoint a Nominating Committee made up of not less than two of its Members and, at the Board's discretion, one other Shareholder Member.

b. Nomination of Officers and Board Members shall be in the form of a slate to be presented to the Board in early August and voted upon at the Annual Meeting of the Shareholder Members.

c. Officers and Board Members elected at the Annual Meeting shall assume office at the beginning of the new fiscal year.

Section 4. Fiscal Year

The Fiscal Year runs from October 1 through September 30.

Section 5: Indemnification against Liability

The Small Point Club, Inc. shall indemnify and hold harmless each person who shall serve at any time hereafter as a director or officer of the corporation from and against any and all claims and liabilities to which such person shall become subject by reason of his/her having heretofore and hereafter been a director or officer of the Corporation, or by reason of any action alleged to have been heretofore or hereafter taken or omitted by him as such director or officer, and shall reimburse each such person for all legal and other expenses reasonably incurred by him in connection with any such claim or liability provided, however, that no such person shall be indemnified against, or be reimbursed for, an expense incurred in connection with any claim or liability arising out of his/her own negligence or willful misconduct.

Section 6: Club Policies

The policies and rules set forth in the statement of Small Point Club Policies attached to these Bylaws are incorporated herein by reference made a part hereof. The Small Point Club Policies may be revised from time to time by the Board and all policies and rules contained therein shall be binding upon all Members once adopted by the Board.

Article 4: Duties

Section I. Duties of the Board of Directors

a. Management

The Board of Directors shall have the management and control of the Club and its property and shall authorize all contracts, purchases and payments as shall be necessary and proper and shall exercise a general superintendence over the interests and affairs of the Club.

As provided in Article 3, the Board shall make and enforce such policy and rules for the use and management of the Club house and other Club property as it may find appropriate. The Board may employ a manager who shall be responsible for all receipts and expenditures relative to the housekeeping operation of the Club. If required by the Board, the manager shall give a sufficient bond for the safekeeping, faithful disbursement and correct accounting for all the monies handled by the manager.

b. Meetings

The Board shall meet at least monthly while the Club is in

Operation.

Section 2. Duties of Officers and Appointees

a. President

The President shall preside at Board meetings and at all annual and special meetings of the Club. In case of the absence of the President or of a vacancy in the office, his/her duties shall be discharged by the Vice-President or, in his/her absence, by a Director selected by the Board.

The President is an ex-officio Member of all committees except the Nominating Committee.

b. Vice-President

The Vice-President shall assist the President, shall assume the duties of the President in his/her absence and shall perform other duties as might be assigned by the Board.

c. Secretary

The Secretary shall keep a record of all meetings of the Club and the proceedings of the Board. He/she shall conduct the correspondence of the Club and give notice of all meetings of the Club and shall notify persons of their election as Members, and see that each Shareholder Member and Associate Member has copies of the current By-laws. He/she shall keep the records of Board elections and appointments.

d. Treasurer

The Treasurer shall keep the accounts, collect all assessments and dues and make all payments except those otherwise assigned by the Board. The Treasurer shall be responsible for the preparation of annual financial statements and tax returns and interim reports. At the discretion of the Board, the Treasurer may be bonded.

The Board may appoint an assistant Treasurer and/or a Finance Committee and/or professional accountants to assist the Treasurer.

e. Custodian of Shareholder Member Records

The Custodian shall keep current the record of the outstanding Shares of Capital Stock of The Small Point Club, Inc. and shall process and record all transfers of Share ownership.

f. Nominations and Membership Secretary

The Nominations and Membership Secretary shall be the Chair of the Nominations and Membership Committee and will receive applications for Associate Membership and Shareholder Membership and keep current the list of Associate Members. The Nominations and Membership Secretary will also maintain a list of candidates for Director developed by the Nomination and Membership Committee, and will handle and keep on file all pertinent data and correspondence.

g. Clerk of the Corporation

The Clerk must file the Annual Corporation Report. This position, usually filled by a lawyer, is a requirement for Maine Corporations. Attendance at Board meetings is voluntary.

Section 3. Quorum, Voting and Resignation

At all meetings of the Board, a majority of the members of the Board shall constitute a quorum and at all duly constituted meetings at which a quorum appeared, all actions of the Board shall be taken by affirmative vote of a majority of the Board then in attendance. Members of the Board may resign at any time, effective upon the delivery of written notice in the manner specified in Article 12.

Section 4. Vacancies

Unless a special meeting of the Shareholder Members shall have been called for the purpose, the Directors shall have the power and authority to fill any vacancy which may occur either in the Board or in any of the offices of the Club by death, resignation or otherwise, and the appointments thus made shall continue, subject to the removal of such appointees, until the next annual meeting of the Shareholder Members.

Article 5: Shareholder Meetings

The Annual Meeting of the Shareholder Members of the Small Point Club, Inc. shall be held on either a Saturday or Sunday in August.

Written notice stating the place, day and hour of each meeting of the Shareholder Members and the purpose or purposes for which the meeting is called shall be delivered not less than ten nor more than fifty days before the date of the meeting, either personally or by mail, by or at the direction of the President, the Secretary, the Clerk or the officer or persons calling the meeting, to each Shareholder Member of record entitled to vote at such meeting.

Voting by written proxy shall be allowed provided the proxy is given to another Shareholder Member and is filed with the Secretary. The form and scope of authority of such Proxy shall be determined from time to time by the Board.

One third of the Shareholder Members, either in person or represented by proxy, shall constitute a quorum.

Special meetings of the Shareholder Members may be called by the President or by a majority of the members of the Board. The Secretary shall give written notice of same to all Shareholder Members and no business shall be acted upon except that specified in the call for the special meeting.

Article 6: Committees

Section I. Standing Committees

There shall be the following standing committees which shall present plans for work to the Board for approval.

a. House Committee

The House Committee shall be responsible for any interior refurbishing of the Club house, purchasing and maintenance of household materials and planning for the seasonal operation of the Club.

b. Buildings and Grounds Committee

The Building and Grounds Committee shall be responsible for exterior maintenance and repair of the Club house, maintaining the integrity of both the structure and the grounds.

c. Nominations and Membership Committee

The Nominations and Membership Committee shall insure that all applications for Associate Membership are complete and present completed applications to the Board. One of more members of the Nominations and Membership Committee will meet with each potential candidate for membership prior to submission of an application to the Board. The Nominations and membership Committee shall also develop a list of candidates for membership on the Board.

d. Committee Assignments

To the extent permitted by these By-laws, the Board, by a Resolution adopted by a majority of the Directors then in office, may designate from among its Members an Executive Committee. Other committees need not be limited to Members of the Board but must include two or more Directors. The Board may delegate to such committee or committees the authority to act on its behalf.

Article 7: Membership

Section 1. Classes of Membership

a. Associate Membership

Persons interested in becoming an Associate Member may apply in writing to the Membership Secretary. The form of application shall be determined from time to time by the Board. Each application must include three letters from Shareholder Members who are well acquainted with the applicant but who are not members of the applicant's immediate family and have themselves been Shareholder Members of the Club for at least two (2) years. Applications may be submitted to the Board of Directors by the Membership Secretary two weeks prior to any Board meeting during the season. Voting shall be by written ballot and will require the affirmative vote of a majority of the Board for approval.

A husband and wife may apply jointly for Associate Membership and, if elected, will each be an Associate Member and entitled to enjoy the privileges of the Club; in such case, both husband and wife must satisfy the requirements for application except that letters of support from Shareholder Members may refer to both persons.

Applicants for Associate Membership shall be notified by of the election results by the Membership Secretary or the President.

An Associate Member is entitled to reserve rooms and to enjoy the privileges of the Club during the Club's summer season. He or she may introduce non-member guests.

An Associate Member is entitled to reserve rooms and to enjoy the privileges of the Club during the Club's summer season. He or she may introduce non-member guests under the provisions of Section 3 of these Bylaws.

An Associate Member may not vote and shall not have any right, title or interest in the real or personal property of the Club.

b. Junior Membership

A Shareholder Member may nominate any relative under the age of 35 for Junior Membership. The application must be accompanied by a letter of recommendation from the sponsoring Shareholder Member. There will be no initiation fee required. Persons may not hold a Junior Membership for more than **5 years** or after they reach the age of 35 whichever comes first, at which time the Junior Member must apply for Associate Membership under the provisions of Article 7, Section 1, a.

Nominations for Junior Membership shall be approved by a majority vote of the Board of Directors at the next scheduled Board meeting. Once approved, Junior Membership shall be effective immediately.

Junior Members are entitled to reserve rooms and to enjoy the privileges of the Club during the Club's summer season. He or she may introduce non-member guests under the provisions of Section 3 of these Bylaws.

Junior Members may not vote and shall not have any right, title or interest in the real or personal property of the Club.

c. Shareholder Membership

An Associate Member wishing to become a Shareholder Member must apply to the Custodian of Shareholder Records who will present the Candidate(s) to the Board for recommendation to the Shareholder Membership at the Annual Meeting. Applications for Shareholder Membership must be received at least three (3) months before an annual Shareholder meeting in order to be voted upon that year by the Shareholder Members.

Voting shall be by written ballot. An applicant receiving a three-quarter majority of those present and voting shall become a Shareholder member(s).

An Associate Member who acquires one or more shares of capital Stock in the Club becomes a Shareholder Member. A newly elected Associate Member will not be eligible to purchase a share until two years after his or her election. This does not apply to shares received through bequests. A spouse who inherits a share need not be or become an Associate Member of Shareholder Member in order to receive that share and be a Shareholder Member. In addition to the privileges of Associate membership, a Shareholder Member may vote at Club meetings as set forth in Article 8, provided he or she is current in financial obligations to the Club.

A husband and wife who are both Associate Members may own one or more shares jointly; in such case they are entitled to a single vote as a couple as further provided in Article 8 and shall vote as one on all matters.

Ownership of a fractional share does not entitle the holder to Shareholder Membership.

Section 2. Dues and Assessments

Notice of annual dues and assessments declared by the Board shall be mailed by the Treasurer to the Members in January.

Annual dues are payable by all Members and shall be determined by the Board according to the reasonable needs of the Club. Payment is due within thirty days of notification. A husband and wife who are both Associate Members shall be liable for only one dues as a couple. An Associate Member who fails to pay his or her dues within sixty days after receiving a second notice of the same being due shall have their name posted at the Club and shall cease to be an Associate Member on August 1st.

In addition to annual dues, Shareholder Members shall be liable for assessments established from time to time by majority vote of the Board to meet special or unusual needs of the Club, except that husband and wife shall be liable for only one annual dues and assessment if their shares are jointly owned.

A Shareholder Member who has not paid his or her dues and/or assessment by the Annual Meeting of the Shareholders in the year in which they are due and payable shall receive written notice by register mail at his or her address as shown on the records of the Club that such amounts are overdue; and, if not paid within thirty days after the mailing of such notice, the shares shall be subject to forfeiture. The Shareholder Member shall then cease to be a member provided that the Board may, within such thirty day period, vote to rescind such notice because of special circumstances causing the delinquency and, by such action, prevent the forfeiture of the shares as provided in the notice.

Section 3. Introduction of Non-Member Guests

A Shareholder Member or Associate member may introduce a non-member guest for up to three seasons, after which the non-member guest must apply for Associate Membership in order to return to the Club. The limit of three seasons for non-member guest shall not apply to immediate family member of Shareholder Members or Associate Members.

Guests shall be subject to the Club rules and customs and the Member who introduced them shall be liable for all unpaid charges incurred by his or her guest. A non-member guest who persists in violation of Club rules or in conduct contrary to Club customs as defined in Section 5 of this article shall be asked to leave the Club premises by the Manager with the prior approval of one officer or other director.

Section 4. Resignations

An Associate Member may resign by giving written notice of such resignation to the Secretary. The Member will cease to enjoy Club privileges and, upon payment of any unpaid dues or charges, the Member will have no further obligations to the Club.

A Shareholder Member may resign by giving written notice to the Secretary and by delivering his or her Stock Certificates to the Custodian of Shareholder Records. The Shareholder Member's Certificate shall thereupon cease to have any legal force of effect. Thereafter, upon payment of any unpaid dues or charges, the resigning Shareholder Member will have no further obligations to the Club and will cease to enjoy membership privileges.

Upon the death of a Shareholder Member the certificates representing his or her shares shall within a period of not more than two (2) years be returned to the Custodian to be

cancelled and reimbursed (as in the case of a resigning Shareholder Member) or transferred in accordance with the Member's will and Article 8 of these By-laws. A Shareholder Member may designate by devise or otherwise that his shares be transferred at death to persons in his or her immediate family; however, except as provided in Section 1. C. of this Article, such designated beneficiaries must be Associate Members or Shareholder Members to receive such shares and may not receive fractional shares.

Any such immediate family beneficiaries must qualify for Shareholder Membership by being or becoming Associate Members within two years of the Shareholder Member's death. At that time the Custodian shall transfer the deceased Shareholder Member's shares to the designated beneficiaries. If the designated family beneficiaries are not qualified by the end of the two year period the Shares shall be cancelled.

Section 5. Termination of Membership

In addition to the termination which may occur in respect of non-payment of dues as specified in Article 7, Section 2, in case of persistence in the violation of any provision of these By-laws or of any rule of the Board by any Associate or Shareholder Member, or in any conduct on the part of any member, which in the opinion of the Board may tend to endanger the good order and welfare or character of the Club, the Board may decide by two-thirds vote at the next meeting that the offending member be denied membership and privileges of the Club. The offending member shall be given notice in writing of such action by the Board, and a Shareholder Member, so notified, shall tender his/her shares to the Custodian of Shareholder Records.

Section 6. Reinstatement

Associate Members and Shareholder Members of the Small Point Club may request reinstatement following resignation or termination in accordance with these Bylaws. In order to provide for the stability of the Club membership and the administrative convenience of the Club, reinstatements will be governed by rules and procedures to be adopted and revised as deemed necessary in the sole determination of the Board. The rules and procedures regarding reinstatement are included in the Small Point Club Policies appended hereto.

Section 7. Divorce

In the event of the divorce or legal separation of a couple holding joint Shareholder Membership, the membership and share ownership shall be allocated with all its incidents to either the husband or wife in accordance with mutual agreement or court decree. In the event that agreement cannot be reached, said share(s) shall be returned to the Custodian and the Board may at any time thereafter suspend or terminate their membership.

Section 8. Termination of Equity Certificate; Settlement for Certain Shareholder Members

Upon the death, resignation or other termination of a Shareholder Member, the Shareholder Member's Stock Certificate(s) shall thereupon cease to have any legal force or effect except for redemption rights, if any, and except for rights on dissolution by the Shareholder Members as provided in Article 11 of these By-laws. Upon termination of those Shareholder Memberships for which certificates were issued prior to August 8, 2010, the Club will, as soon as practicable, pay a redemption amount on the Certificate equal to the payment for such certificate at the time of purchase provided the Shareholder members has not relinquished the right of redemption as provided in Article 9. Any dues, assessments or other charges owed by the terminated member shall be deducted from the redemption proceeds and the balance paid to

such member, if living, or otherwise to the representative of his/her estate. If a Shareholder Membership is terminated by the Board of Directors under Section 5 of this Article, no proceeds shall be tendered.

Article 8. Capital Stock Ownership

The authorized capital stock of the Club consists of 500 shares without par value. Shares shall be issued only to Associate Members who have been elected in accordance with Article 7 of to Shareholder Members. Each Shareholder Member shall be entitled to one vote at Shareholder Meetings regardless of the number of shares owned except in the case of the sale of Club property when each Shareholder Member shall be entitled to one vote for each share of stock held. Husband and wife who own shares jointly may cast only one vote together for any shares so owned.

Shares may be issued to Associate or Shareholder Members for such consideration as may be fixed from time to time by the Board. The Treasurer is empowered upon direction from the Board to sell unissued shares in the Club to members provided that no member or husband and wife together may own more than five percent of the total number of issued shares.

Issued shares of stock shall bear a notice that the Shares are not transferable directly by sale or otherwise and that ownership can be changed only as specified in the By-laws of the Club.

Shares are not transferable to any person except to a member of the Shareholder member's immediate family (who must be a Club member).

Reference in these By-laws to the retirement of shares shall mean that the Shareholder shall forfeit his or her interest in such shares and they shall thereupon be restored to a status of authorized and unissued shares without reimbursement or payment of any consideration and without any further action by the Club.

Article 9. Stock Certificates

A Stock Certificate shall be issued to each Shareholder Member, which shall evidence his, her, or in the case of a married couple, their election to Shareholder Membership and entitlement to all of the rights, privileges, and obligations thereof, and the right to share in the net proceeds of any dissolution of the Club to the extent provided in Article 10 of these By-laws. Spouses jointly owning Shareholder Membership shall be issued Certificate(s) for such membership and shall be counted as one (1) member for the purposes of the limit on the total number of Shareholder Members and the right to vote. Amounts paid with respect to Stock Certificates issued after August 8, 2010, whether categorized as an initiation fee, an equity contribution or otherwise shall be non-refundable.

Article 10. Dissolution, Liquidation or Winding up of the Affairs of the Club

In the event of dissolution, if the assets of the Club exceed the claims of creditors and the costs and expenses of dissolution, any extra assets shall be distributed pro rate to the then holders of Stock Certificate(s), each share of stock sharing equally.

Article 11. Amendment of the By-laws

These By-laws may be amended or repealed at any duly convened annual or special meeting of the Shareholder Members by a majority of those present and voting. Any proposed amendments presented at such a meeting shall be approved in advance by a majority of the Board. Any notice of a meeting of Shareholder Members at which By-laws are to be amended or repealed shall include notice of such proposed action, which shall either set out the text of the proposed amendments, additions, or repeal, or summarize the changes to be effected by such action. Notwithstanding the foregoing procedure, the Board may by a two-thirds vote amend these By-laws without Shareholder Member approval if the welfare of the Club requires such changes at a time when it is not practical to call a special meeting of the Shareholder Members for such purpose. Such amendments by the Board shall remain in full force and effect unless or until amended or repealed by any duly convened annual or special meeting of the Shareholder Members.

Article 12: Definition of "Immediate Family"

The definition of immediate family shall consist of the following: spouse, parents, children, grand-children or siblings and may, in the sole discretion of the Board of Directors, include such other family or "extended" family members as the Board may deem appropriate based upon the circumstances that attain in each case.