

Information for Application for GA Subscriber Privileges

For your information, here is a copy of the Grindstone Association Subscriber/Membership Procedures, the 2022 Fee Schedule, and the By-Laws. All current information is available in the 2022 printed WHYC/GA Directory and on the Grindstone Association website grindstoneassociation.com which is accessible to GA subscribers and members.

Grindstone Association Subscriber/Membership Procedures

The Membership Committee is responsible for overseeing the application process of prospective members, from subscribership to membership. A subscriber is a person at least eighteen years of age who has been approved by a majority of the Board of Directors, who resides in a residence for which a cottage fee has been paid, and who, upon payment of the fees specified in the Grindstone Association Annual Fee Policy and the then-current Grindstone Association Fee Schedule, may have unrestricted use of the facilities of the Grindstone Association ("GA "or "Association") for one calendar year. A member is a person at least eighteen years of age who has been elected as a member by the Association's Board of Directors as provided in the Grindstone Association's By-Laws.

A Pro-rated Cottage Fee Program Participant is a Grindstone Association Member in good standing who does not own property in Hancock or Washington County, Maine, rents an eligible residence and, upon payment of the fee specified in the then-current Fee Schedule, may have the same use of facilities of the Grindstone Association as a member who rents a house for which a cottage fee has been paid for a visit up to two weeks per season with participation limited to three (3) years. The GA Member Renter who participates in the Pro-rated Cottage Fee Program must notify the Treasurer with the details of the rental.

A Discovery Plan Participant is a non-member person, couple, or family renting a house for which a cottage fee has not been paid. The Participant(s) must be approved by a majority of the Board of Directors and, upon payment of the fee specified in the then-current Fee Schedule, may have the same use of the facilities of the Grindstone Association as a renter of a house for which a cottage fee has been paid for a one-time visit, up to one month in duration.

Section 1. Application for Subscriber Privileges

1.1. Application. An applicant (and his or her spouse or partner) applying to be a subscriber of the Grindstone Association may obtain an application form from the GA Membership Committee Chair and should return the completed application to the chair. Persons applying concurrently to be subscribers of the GA and of the Winter Harbor Yacht Club ("WHYC") may submit a single application form to the Membership Chair of either organization. The GA Membership Chair shall provide each applicant with a copy of the Association's By-Laws, the Subscriber/Membership Procedures, the then-current GA Fee Schedule, and the most current *Summer on Grindstone Neck* brochure. The Membership Committee shall review each application, check an applicant's (s') references and submit its findings and recommendations to

the Board. When possible, the Membership Committee shall make reasonable attempts to welcome applicants who are new to the community to introduce them to members of the Association and its Board of Directors.

1.2. Board Approval. The Board shall vote on each application at its next scheduled meeting. If Board action is to be taken in a month when the Board does not normally meet, a telephone conference and vote, (or electronic vote deleted on WHYC doc), may substitute for a meeting in person. An applicant is approved by a majority vote of the Board of Directors. The Membership Chair of the Association shall announce the name of each new subscriber by email broadcast and posting on the Association's website promptly upon application. The GA Membership Committee Chair shall provide each approved subscriber with the GA website address as a source for the Member Directory and all GA Governance including, but not limited to, the Grindstone Association By-Laws, the Subscriber/Membership Procedures, the Annual Fee Policy, the Facilities Use Policy, the Initiation Fee Policy and the then-current Fee Schedule. The Membership Chair will also provide a copy of the then current hardcopy GA/WHYC Directory to approved subscribers.

1.3. Continuation of Subscriber Privileges. The Membership Committee shall ascertain if a subscriber wishes to subscribe in the subsequent year and, if so, the Board shall vote at its next meeting whether to renew that subscriber's privileges. Unless otherwise determined by the Board of Directors in its sole discretion, a subscriber owning a residence in Hancock or Washington County may continue as a subscriber for a maximum of two complete seasons prior to applying for membership. A subscriber who does not own a residence in Hancock or Washington County may continue as a subscriber for a maximum of three seasons unless otherwise determined by the Board of Directors in its sole discretion.

Section 2. Application for Membership

2.1. Application. A membership applicant (and his or her spouse or partner) must subscribe for at least two complete seasons, except as specified in sections 2.6, 2.7, and 2.8. An applicant (and his or her spouse or partner) applying to be a member of the Grindstone Association may obtain an application form from the GA Membership Committee Chair and should return the completed application to the chair. Persons applying concurrently to be members of the GA and of the Winter Harbor Yacht Club ("WHYC") may receive an application form from the Membership Chair of either organization and submit a single completed application form to the Membership Chair of either organization. The chair to whom an application for membership is submitted will promptly provide a copy of the completed application and all relevant letters to the chair of the other organization. The GA Membership Committee Chair shall provide each applicant with the GA website address as a source for the Member Directory and all GA Governance including, but not limited to, the Grindstone Association By-Laws, the Subscriber/Membership Procedures, the Annual Fee Policy, the Facilities Use Policy, the Initiation Fee Policy and the then-current Fee Schedule.

2.2. Sponsorship. Applicants must be sponsored by a voting member and supported by letters from two additional voting members, none of whom are family members (as defined in

Section 3.1 of the GA By-Laws). A sponsor is responsible for submitting to the Membership Chair a letter sponsoring the applicant for membership along with the applicant's completed application form and two supporting letters. In the event an applicant is also applying for membership in the WHYC, the same application form and sponsoring and supporting letters may be used for both organizations.

2.3. Review by Membership Committee. The Membership Committee shall review each application, check an applicant's(s') references and submit its findings and recommendations to the Board. In their recommendation to the Board, the GA Membership Committee Chair shall indicate the appropriate GA class of membership for each application.

2.4. Board Approval. The Board shall vote on each completed application at its next regularly scheduled meeting. When action is to be taken in a month when the Board does not normally meet, a telephone conference and vote may substitute for a meeting in person. An applicant for membership is approved by a two-thirds vote of eligible members of the Board of Directors. A family member (as defined in Section 3.1 of the By-Laws of the Association) of a prospective member is not eligible to vote for or against membership. The Membership Committee Chair shall announce the name of each newly elected member by email broadcast or first class mail sent to the address of each member as it appears in the records of the Grindstone Association, posting each name on the Association's website, and posting each name on bulletin board at the WHYC at the start of the season or promptly upon election when the membership election occurs during the season.

2.5. 7 Days Prior Notice. The Membership Committee of the Association shall give members prior notice of any Board meeting at which the Board will vote on an application for membership, except as specified in sections 2.6, 2.7, and 2.8. With respect to any such meeting occurring in the summer season, notice shall be deemed sufficient if posted on the Association's bulletin board at the WHYC at least seven (7) days prior to the date of the meeting. For meetings occurring at any time, notice may be by personal contact or by email, fax or first class mail sent to the address of each member as it appears in the records of the Grindstone Association at least seven (7) days prior to the date of the meeting, exclusive of the date of mailing. Notice shall specify the name and address of each applicant, the names of the sponsor and supporters, and the date, time and place of the meeting. The Membership Committee shall report member comments to the Board in such a manner as to preserve member confidentiality.

2.6. Membership Application-from Purchaser of House Located on Grindstone Neck or of a House Owned by a Member. The Membership Committee and the Board shall expeditiously process the application of any purchaser of a house (1) located on Grindstone Neck or, (2), owned by an Association member when that purchaser wishes to apply for membership rather than for subscriber privileges. It is foreseeable that this membership process may have to be accomplished off-season, within a short period of time, and that the applicant may be a stranger to the community. A GA member who is selling a house may sponsor the purchaser of the house and should disclose this relationship to the Membership Committee. The Board in its sole discretion may waive or modify the requirements of sponsoring and supporting letters and prior notice to members. The seller (or seller's agent) is responsible for supplying the purchaser with

an application form and copies of the Association By-Laws, Subscriber/Membership Procedures and the then-current Fee Schedule, all of which can be obtained from the Membership Committee. The seller (or seller's agent) is responsible for returning the purchaser's completed application form and any sponsoring and supporting letters to the Membership Committee. Board review and vote may be conducted electronically or by teleconference and the result communicated to the seller. In the event that the Agreement of Sale for a house requires membership in the Association as a condition of sale, the Board may vote to approve membership to be effective on date of closing. Notice of election to membership by email broadcast and by posting each name on the Association's website and on the GA bulletin board at the WHYC at the start of the season or promptly upon approval when approval occurs during the season is sufficient.

2.7. Membership Application from WHYC Member. An applicant for membership who is, or whose spouse/partner is, a member of the WHYC needs not submit sponsoring or supporting letters. 7 day prior notice of a Board meeting at which the Board will vote on an application for membership from a WHYC member is not required. Notice of election to membership by email broadcast and by posting each name on the Association's website and on the GA bulletin board at the WHYC at the start of the season or promptly upon approval when approval occurs during the season is sufficient.

2.8. Membership Application from a Spouse/Partner of a Current or Deceased GA Member. An applicant for membership whose spouse or partner is a current or deceased Member of the GA must submit an application but needs not submit sponsoring or supporting letters. 7 day prior notice of a board meeting at which the Board will vote on an application for membership from a spouse or partner of a current or deceased member is not required. Notice of election to membership by email broadcast and by posting each name on the Association's website and on the GA bulletin board at the WHYC at the start of the season or promptly upon approval when approval occurs during the season is sufficient.

Section 3. Application for Discovery Plan

3.1. Application. An applicant (and his or her spouse or significant other) applying to be a one-time only participant in the GA's Discovery Plan may obtain an application form from the Membership Committee Chair and should return the completed form to the chair.

3.2. Board Approval. The Board shall vote on each application at its next scheduled meeting. If Board action is to be taken in a month when the Board does not normally meet, a telephone conference and vote, or electronic vote, may substitute for a meeting in person. An applicant is approved by a majority vote of the Board of Directors. The Membership Chair shall announce the name of each approved Discovery Plan participant by email broadcast, posting each name on the Association's website, and posting on the GA bulletin board at the WHYC at the start of the season or promptly upon approval when approval occurs during the season.

3.3 Sponsorship. An applicant for the Discovery Plan must be introduced by a voting member of the Grindstone Association and must list Winter Harbor Yacht Club or Grindstone Association members and non-member non-family friends who may be contacted for reference.

Approved March 19, 2013.

Amended April 12, 2017.

2022 GRINDSTONE ASSOCIATION FEES

Initiation Fees*

Family Membership (age 35 and over) <i>(Does not include the Winter Harbor Yacht Club Initiation Fee)</i>	\$3,200
Family Membership (under age 35)	\$1,000
Non-Member Spouse/Partner of Current or Deceased Member	\$1,000

**The Grindstone Association (GA) defines a "family" as a single person and his or her children or grandchildren or a couple and their children and grandchildren. To be included in this category, children and grandchildren must be under the age of 25 as of June 1. A newly elected spouse/partner of a member who joined the GA before March 1, 2012 and for whom an initiation fee was not paid must pay the applicable Non-Member Spouse/Partner Initiation Fee. A newly elected spouse/partner of a member who joined as a "Family Member" after March 1, 2012 may subsequently become a member without payment of an additional Initiation Fee. Memberships are not transferable by gift or inheritance.*

Annual Membership Fees

Member** - age 35 and over as of June 1	\$200
Member** - under age 35 as of June 1	\$100

Annual Cottage Fee

Member** Cottage Fee	\$4400
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Pro-rated Cottage Fee Program Fee

Weekly Fee (two week maximum)	\$690
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Discovery Plan Cottage Fees

Weekly Fee	\$690
Monthly Fee (one month maximum)	\$2,760

Tenant Fees

Fee	\$10/day for entire Rental Period
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Please refer to the GA Annual Fee Policy and the GA Initiation Fee Policy for specific guidance

****The term Member refers to a person who has been elected as a Member or Subscriber of the Association.**

Grindstone Association By-Laws
August 11, 2016
AMENDED 16 MAY 2019
AMENDED 02 SEPTEMBER 2021

ARTICLE 1 – NAME, OFFICE, PURPOSE

- 1.1 Name. The name of the Corporation is Grindstone Association.
- 1.2 Registered Office. The Corporation shall maintain its registered office at Winter Harbor, Hancock County, Maine or such other location within the State of Maine as the Board from time to time determines best serves the Corporation’s purposes.
- 1.3 Other Offices. The Corporation may maintain offices at such other places within or without the State of Maine as the Board from time to time designates or the Corporation’s business requires.
- 1.4 Purposes. The purposes of the Corporation are to;
- (a) acquire by purchase, gift, devise, or bequest real and tangible personal property in Winter Harbor, Hancock County, Maine, and intangible personal property, and
 - (b) engage all real and personal property which it owns for the mutual use and enjoyment of the Members.
- 1.5 Activities. The Corporation may engage in all activities properly related to the purposes described in Section 1.4.
- 1.6 Statutory Powers. The Corporation may exercise all other rights and powers conferred by the State of Maine upon nonprofit corporations.

ARTICLE II – FISCAL YEAR, CORPORATE SEAL

- 2.1 Fiscal Year. The Corporation’s fiscal year shall commence on January 1st of each year and end on December 31st of each year.
- 2.2 Seal: Form. The seal of the Corporation shall have inscribed on it the name of the Corporation, the year of its organization, and the words “Corporate Seal” and “State of Maine”.
- 2.3 Seal: Use. The Secretary and each other person authorized by the Board or these By-laws may cause the seal or a facsimile of the seal to be impressed upon or affixed to any document, or may cause the seal to be reproduced in any manner.

ARTICLE III – MEMBERS AND SUBSCRIBERS

3.1 Members. A member of the corporation is a person at least eighteen years of age whose name appears on the list attached hereto, or who has been elected as a member by a two-thirds vote of all the eligible members of the corporation's Board of Directors. A family member (family being defined as a single person and significant other or a couple and their children under age 25 and grandchildren under age 25) of a prospective member shall not vote for or against membership. No person who is or becomes a Member may transfer his or her membership, whether by gift, bequest, or otherwise. Classes of membership are as follows:

3.1.1 Class A Members - Property Owners. Class A Members are adult members who own a house in either Hancock or Washington County, Maine for which a Cottage Fee is paid. A Member who is the spouse or partner of a Class A Member, but not a deeded property owner, is also a Class A Member so long as, and only so long as, their spouse or partner owns the house in Hancock or Washington, Country for which a Cottage Fee is paid.

- (a) Individuals and their spouses/partners who were Class A Members prior to September 30, 2016 who sell their property and do not purchase a new property in Maine in either Hancock or Washington County automatically become Class B Members.
- (b) Individuals and their spouses/partners who became Class A Members after September 30, 2016 who sell their property and do not purchase a new property in Maine in either Hancock or Washington County automatically become Class C Members.

3.1.2 Class B Members - Non-Property Owners as of August 25, 2016. A Class B Member is a member who does not currently own a house for which a Cottage Fee is paid in Maine in either Hancock of Washington County but who was a member prior to August 25, 2016.

- (a) Should a Class B Member who was previously a Class A Member purchase property in Maine in either Hancock or Washington County for which a Cottage Fee is paid, said member shall automatically become a Class A Member without being required to pay initiation fees.

3.1.3 Class C Members - Non-Property Owners after August 25, 2016. A Class C Member is a member elected after August 25, 2016 who does

not currently own a house for which a Cottage Fee is paid in Maine in either Hancock or Washington County.

- (b) Should a Class C Member who was previously a Class A Member purchase property in Maine in either Hancock or Washington County for which a Cottage Fee is paid, said member shall automatically become a Class A Member without being required to pay initiation fees.

3.1.4 Class E Members - Emeritus Members. A Class E Member is an individual who is elected by the Board as an Emeritus Member. Emeritus membership is an honor that, in special circumstances, may be conferred on long-time members who due to age, health or disabilities can no longer participate in activities on Grindstone Neck. Class E (Emeritus) Membership must be approved annually by the Board of Directors. These members will not be required to pay the Continuing Membership Fee nor will they have a vote in Association affairs; however, they will continue to receive Association communications and their names will be recorded in the annual roster of Grindstone Association members.

- (a) If an Emeritus Member owns a cottage for which he or she is no longer paying a cottage fee, residents of that household will not be able to use Association facilities unless they join the Grindstone Association and participate in the cottage plan.
- (b) Should an Emeritus Member choose to pay the Cottage Fee in a given year, and the Board and Voting Membership vote to dissolve the Corporation in that same year, the Emeritus Member shall be eligible for a share of the assets in accordance with Article 10.3.

3.2 Membership Rights. Subject to the provisions hereof, members may vote (Art. 5.6), use the corporation's facilities and hold office.

3.3 Membership Procedure. The President will appoint a Membership Committee whose duty it will be to recommend the procedure for processing applications for membership, receive applications for membership and make recommendations thereon to the Board. Candidates who seek membership may apply as an individual or as a couple; upon election of a couple, both parties become full members with full privileges. Such procedure, as approved by the Board, shall be distributed, at least annually, to each member and posted annually in a prominent location on Grindstone Neck.

3.3.1 Election.

- (a) At any regular or special meeting of the Directors, the Directors may elect any adult individual as a Class A Member, Class C Member, or Class E Member, as appropriate.

- (b) The Directors shall be responsible for the election of Members in accordance with such policies and procedures as they may establish from time to time.
- (c) To elect an adult individual as a Member, at least two thirds of the Directors entitled to vote, and who are present in person or on the telephone, and are not related to the candidate must vote in favor of the candidate.

3.4 Suspensions and Expulsions. In case of violation of applicable bylaws, regulations, rules or any conduct which the Board of Directors considers injurious to the best interest of the corporation, or for nonpayment of overdue fees or charges, the Board may, after providing a reasonable opportunity for response, (1) suspend any or all rights and privileges of a member or Subscriber, or (2) expel a member or Subscriber. For purposes of this paragraph a member or Subscriber may be held responsible for conduct of relatives, renters, and guests.

- (a) If a Member fails to make any required payment to the Corporation within 90 days after the due date of the payment, the Directors may suspend or terminate the Member's membership. Written notice must be given to said Member via certified mail notifying them of the possibility of suspension or termination if payment is not made within 30 days.
- (b) If a Member engages in any other conduct which the Directors consider contrary to the best interests of the Corporation, the Directors, after written notice via certified mail to the Member and after providing the Member with a reasonable opportunity to defend such conduct, may suspend or terminate the Member's membership.
- (c) A suspension or termination of membership under 3.4(a) or 3.4(b) shall require a two thirds majority vote of the Board of Directors. Any Board Member who is related to the individual must recuse themselves from all discussion and the vote.

3.5 Resignation.

- (a) A member may resign at any time by written notice to the Secretary, unless the Board waives such notice.
- (b) The resignation of a Member shall be effective on the date specified in the notice to the Secretary, unless the Board waives such notice.

3.6 Subscribers. A subscriber is a person who has been approved by a majority of the Board of Directors and who, upon payment of the fee approved by the Board, may use the facilities of the corporation for one season.

ARTICLE IV – USE OF CORPORATION FACILITIES

4.1 Fees. Any person accepted for membership shall pay to the corporation a one-time initiation fee in an amount to be established from time to time by the Board of Directors. The Board may also from time to time establish an annual dues structure. All membership fees shall be nonrefundable.

4.2 Facilities Use. The Board of Directors may determine at any time and from time to time which persons may use the Corporation’s facilities and the terms and conditions of their usage.

4.3 Partial Use Fee For Vacant Cottages. Any member whose cottage is vacant from June 15 through September 15 in any year must pay one-half of the annual dues fee determined by the Board of Directors. This provision does not apply to second, third, or additional cottages owned by such member, that is, no fee is required for vacant additional cottages.

ARTICLE V – MEETINGS OF MEMBERS

5.1 Annual Meeting. The Members shall hold an annual meeting in Winter Harbor, Maine on or before August 31st of each year on such a date and at such time and place as the Board determines in order to, among other things:

5.1.1 elect one or more Directors in accordance with Article 6.4, et seq.

5.1.2 elect the officers of the Corporation in accordance with Article 7.1, et seq., and

5.1.3 receive the reports of the President, the Treasurer and the Committee Chairs as to the business and financial affairs of the Corporation during the preceding fiscal year.

5.2 Regular Meetings. The Board may schedule such other regular meetings of the Members as it considers necessary.

5.3 Special Meetings. The President, a minimum of five (5) Directors, or not less than 25% of the Members entitled to vote, may request a special meeting. Upon request by one of these three entities, the Secretary will notify the membership of the date, time, and place of the special meeting.

5.4 Notice.

(a) The Secretary shall provide written notice to each Member of each annual, regular or special meeting of the Members not less than 10 days prior to the meeting date, excluding the mailing date. The Secretary shall send notice of each meeting to each Member by first

class mail or by E-Mail to the Member's address on the Corporation's records.

- (b) The Secretary shall include in the notice to the Members of each annual meeting the names of the Corporate Officers and Directors which the Nominating Committee proposes to present for election.

5.5 Quorum.

- (a) The presence of 25% of the Members entitled to vote shall constitute a quorum for purposes of each meeting of the Members other than a meeting called to consider a Fundamental Change.
- (b) The presence of 51% of the Members entitled to vote shall constitute a quorum for purposes of each meeting of the Members called to consider a Fundamental Change. A Fundamental Change is defined individually as one of the following:
 - 1. The merger of the Corporation with, or other consolidation of the Corporation into, another corporation.
 - 2. The sale of Corporation assets the fair market value of which exceeds \$75,000.
 - 3. Any division of the Corporation into one or more corporations.
 - 4. The purchase of a majority of the shares of capital stock of, or substantially all of the assets of, another corporation.
 - 5. The conversion of the Corporation from nonprofit status.
 - 6. The dissolution of the Corporation.
 - a. The above shall not apply to the sale and purchase of investment securities in any amount so long as the sale and purchase is in accordance with the investment policy approved by the Board, as that may change from time to time.
- (c) Members may attend such meetings in person or by telephone conference or similar communications equipment by means of which all persons participating in the meeting may hear each other.

5.6 Voting.

- (a) Each Class A Member or Class B Member in good standing shall be entitled to one vote with regard to any proposed action of the Members.

- (b) Each Class C Member in good standing shall be entitled to one vote with regard to any proposed action of the Members with the exception of votes regarding any Fundamental Change.
- (c) Each Class E Member shall not be entitled to any vote with regard to any proposed action of the Members.
- (d) A Member shall be in good standing if, and only if, the Member shall have paid all fees due to the Corporation within 90 days of their billings, and all other charges of the Corporations within 30 days of their billing.
- (e) A majority vote of the Members entitled to vote, and who are present in person or electronically , is required at Member meetings for an action to be approved. In the case of a Fundamental Change, a 2/3 majority of the Members entitled to vote on a Fundamental Change, and who are present in person or electronically , shall be required for an action to be approved.

5.6.1 Voting Members are entitled to vote as follows:

- (a) An amendment to the Articles of Incorporation,
- (b) amend the ByLaws in accordance with Article XII,
- (c) elect individuals to serve as Directors in accordance with Article 6.4,
- (d) elect individuals to serve as Officers in accordance with Article 7.1,
- (e) approve or disapprove any proposed borrowing by the Corporation the amount of which exceeds \$75,000. The Board may not borrow more than \$75,000 in a calendar year without Member approval.
- (f) approve or disapprove any purchase, sale, lease, pledge or other disposition of real, personal, or mixed property the fair market value of which exceeds \$75,000, and
- (g) Class A or B Members may approve or disapprove each Fundamental Change.

The limitation set forth in Article 5.6.1(d) and 5.6.1(e) shall not apply to the sale and purchase of investment securities in any amount so long as the sale and purchase is in accordance with the

investment policy approved by the Board, as that may change from time to time.

ARTICLE VI – THE BOARD OF DIRECTORS AND MEETING THEREOF

6.1 Board. The Board shall manage the Corporation's property and conduct the Corporation's affairs in a manner consistent with the Corporation's purposes described in Article 1.4. Procedures at meetings shall be governed by the current edition of Robert's Rules of Order Newly Revised as listed on <https://robertsrules.com>.

6.2 General Powers. The Board shall have all powers and duties which the laws of the State of Maine confer upon it, subject to any and all limitations on those powers and duties described in these ByLaws.

6.3 Specific Powers. The Board may, among other things:

- (a) borrow money, subject to the limitation set forth in Article 5.6.1(d), and,
- (b) purchase, sell, lease, pledge or otherwise dispose of any real, personal or mixed property, subject to the limitation set forth in Article 5.6.1(e), and
- (c) adopt policies and procedures.

The limitation set forth in Article 5.6.1(d) and 5.6.1(e) shall not apply to the sale and purchase of investment securities in any amount so long as the sale and purchase is in accordance with the investment policy approved by the Board, as that may change from time to time.

6.4 Composition.

- (a) The Board shall consist of nine at large Directors, the President, the Vice President, the Secretary, and the Treasurer.
- (b) The Class A, Class B and Class C Members shall elect at large Directors at the Members annual meeting.
- (c) The at large Directors shall serve for three years and until their successors are elected. Three of the nine at large Directors shall be elected each year. The at large Directors shall take office on September 10 of the year elected.
- (d) Directors may serve two consecutive terms after which they must rotate off the Board for at least one year, the exception being those elected as Corporate Officers under Article 7.1.

6.5 Eligibility.

- (a) All Class A, Class B and Class C Members in good standing shall be eligible for nomination and election as at large Directors, subject to the limitations set forth in paragraph (b).
- (b) Two of the three members elected as Directors in a given year must be Class A Members.

6.6 Regular Meetings. The Board shall hold regular meetings including an annual meeting at such times and places as may be fixed by resolution of the Directors.

6.7 Special Meetings. Special meetings of the Board of Directors may be called by the President, and shall be called by the President at the request of three Directors, on a minimum of two days' notice to each director either personally or by mail, fax or email to his last known address. The notice of special meetings shall state the purpose or purposes of the proposed meeting.

6.8 Directors' Annual Meeting. The annual meeting of the Board of Directors shall be held within two weeks prior to the annual meeting of the members of the corporation.

6.9 Other Meetings. Regular meetings of the Board of Directors may be held at such time and place as may be fixed by resolution of the Directors. When the Board cannot meet in person it may meet by electronic means.

6.10 Quorum

- (a) The presence of two-thirds of the Directors shall constitute a quorum for the transaction of business for purposes of all meetings of the Board.
- (b) Directors may attend such meetings in person or by telephone conference or similar communications equipment by means of which all persons participating in the meeting may hear each other.

6.11 Voting.

- (a) Each Director shall be entitled to one vote with regard to any proposed action of the Board.
- (b) The Commodore of the Winter Harbor Yacht Club, or that person's designee, shall have one vote with regard to any proposed action of the Board, so long as, and only so long as, the lease dated August 12, 2010 between the Corporation and the Winter Harbor Yacht Club is in effect.

6.12 Report on Activities and Finances. The Board of Directors, or a person designated by the Board, shall submit to the annual meeting of the members a report of the activities of the corporation, a statement of finances, and an estimate of probable receipts and expenditures for the ensuing year.

6.13 Vacancies. In the case of the death, resignation, removal or disability of any of the Directors, the Directors then in office, although less than a quorum, shall by a majority vote fill the vacancy for the unexpired term with respect to which such vacancy occurs. Should that vacancy require the replacement of a Director who was a Class A Member, the vacancy must be filled by a Class A Member.

6.14 Notice.

- (a) The President or the Secretary shall provide written notice to each Director of each regular or special meeting of the Directors not less than seven days prior to the date of the meeting.
- (b) Each meeting notice shall state the purpose(s) of the meeting.
- (c) The President or the Secretary may deliver notice of each meeting to each Director in person, by first class mail, or by E-Mail to the Director's address on the Corporation's records.

ARTICLE VII – CORPORATE OFFICERS

7.1 Qualifications; Term Limits.

- (a) The officers of the Corporation shall include the President, the Vice President, the Secretary, and the Treasurer.
- (b) The Officers of the Corporation shall be elected by those Members eligible to vote.
- (c) The President may appoint and remove from office an Assistant Secretary and/or and Assistant Treasurer at any time.
- (d) The President, Vice President, Secretary, and Treasurer each may serve not more than three consecutive two year terms.
- (e) The Officers shall hold office until those Members eligible to vote elect his or her successor. The Officers shall take office on September 10 of the year elected.

7.2 Eligibility.

- (a) Each Class A, Class B or Class C Member in good standing who is currently a Director and will have served at least two years as a Director at the conclusion of the current year shall be eligible for nomination and election as a Corporate Officer, subject to the limitations set forth in paragraph (c).
- (b) Each Class A, Class B or Class C Member in good standing who is not currently a Director, but has served at least two years as a Director at any time shall be eligible for nomination and election as a Corporate Officer, subject to the limitations set forth in paragraph (c).
- (c) The majority of Officers must be Class A Members of the Corporation.

7.3 Removal and Resignation.

- (a) Any officer elected by the members or appointed by the Board may be removed at any time by the affirmative vote of two thirds of the whole number of directors, not including the Director being voted upon.
- (b) Any Corporate Officer or Director of the corporation may resign his office at any time, such resignation being submitted in writing to the Board.
- (c) An acceptance of any resignation shall not be required in order to make it effective.

7.4 Vacancies in Office.

- (a) If a Corporate Officer dies, resigns, or is removed as a Director pursuant to Article 7.3, the Board shall elect a successor Corporate Officer.
- (b) Should said vacancy be the Presidency, the Vice President shall become President and the Board shall elect a new Vice President.
- (c) If the position being filled was held by a Corporate Officer who was a Class A Member, the successor Corporate Officer must also be a Class A Member.
- (d) Each person elected as a successor Corporate Officer pursuant to paragraph (a) shall serve as a Corporate Officer for the balance of the predecessor's unexpired term.
- (e) A two thirds majority of the Directors entitled to vote, and who are present in person or on the telephone, is required to fill a vacancy.

7.5 President.

- (a) The President shall be the Chief Executive Officer of the corporation and Chairman of the Board of Directors.
- (b) The President shall preside at all meetings, and have general supervision of the affairs of the corporation.
- (c) The President may create and appoint such committees as in his or her judgment are necessary, and the members of such committees need not be directors.

7.6 Vice President. The Vice President shall in the absence or in the event of the disability of the President perform the duties and exercise the powers of the President.

7.7 Secretary. The Secretary shall:

- (a) prepare the minutes of all annual, regular and special meetings of the members of the Board and the Members and distribute said minutes as soon as is reasonably possible,
- (b) keep or cause to be kept a record of the names and addresses of all Members, Subscribers, Applicants and Renters,
- (c) maintain the roster of members, applicants, and renters, and provide the roster to the Board at each meeting of the Board,
- (d) post and provide notices of membership applications, nominations of Corporate Officers and Directors, and annual, regular and special meetings,
- (e) post in a prominent location on Grindstone Neck a listing of the current Directors, Corporate Officers and committee members, and perform such other duties and have such other powers as the President shall direct.

7.8 Treasurer. The Treasurer shall:

- (a) have custody of the corporate funds and securities,
- (b) keep full and accurate accounts of all receipts and disbursements in proper books of account,
- (c) deposit all monies and other valuable effects in the name and to the credit of the Corporation in such depository or depositories as may be designated by the Board,

- (d) render to the President or Board whenever required true and accurate accounts of the finances of the Corporation, and
- (e) if required by law or by the Board, give a bond in form and with sureties satisfactory to the Board and in conformity with the laws of the State of Maine.
- (f) The Treasurer shall give to the Members a financial report at the annual meeting.

ARTICLE VIII – COMMITTEES

8.1 Committees. The committees of the Board shall include the Executive Committee, the standing committees described in Article 8.3 and 8.4, and such other standing and special committees as the Board shall create from time to time.

8.2 Executive Committee.

- (a) The Executive Committee shall exercise and discharge the powers and responsibilities of the Board between meetings of the Board, subject to the limitations in paragraph (b) and all limitations provided by law or which the Board prescribes.
- (b) The Executive Committee shall take formal action only if and when the failure to act within the time required to call a Board meeting described in Article 6.14(a) would result in economic harm to the Corporation.
- (c) The Executive Committee shall consist of the President, Vice President, Secretary, Treasurer and one other Director chosen annually by a majority vote of the Board.
- (d) Promptly following the conclusion of each meeting of the Executive Committee, the Secretary shall circulate the minutes of that meeting to all Directors. The minutes shall reflect the actions, if any, taken by the Executive Committee.

8.3 Standing Committees.

- (a) The standing committees of the Board shall include the Membership Committee, Nominating Committee, Tennis Committee, Pool Committee, Grounds Committee, Investment Committee, Golf Committee and Technology Committee.
- (b) The President shall appoint the chair and approve the members of each committee annually. Committee members shall be selected by the committee chair.

- (c) The chairman of each committee will report to the Board of Directors. Each committee will operate under regulations proposed by the committee and approved by the Board. The chairman may appoint a vice chair.

8.4 Nominating Committee.

- (a) At least 30 days before the annual meeting of Members, the President shall appoint the Vice Chair and one other at large member of the Nominating Committee for the current year, each of whom shall be a Class A or Class B Member.
- (b) The Vice Chair of the Nominating Committee in the immediately prior year shall be Chair in the current year. The At-Large committee member of the prior year shall be the Vice Chairman in the current year.
- (c) The committee shall nominate candidates for President, Vice President, Treasurer, Secretary and Directors from those members who have been actively participating on committees or otherwise engaged in Corporation activities.
- (d) In nominating individuals as Corporate Officers and Directors, the nominating committee shall endeavor to recognize the value of experience derived from active participation in the Corporation's activities. Such nominations shall be included in the notice of the annual meeting.
- (e) Any Member may nominate candidates either prior to or at the annual meeting.
- (f) Those candidates receiving the greatest plurality of votes from the Members shall be considered elected.

ARTICLE IX – SUBSCRIPTIONS

9.1 Certificates. Certificates of subscription heretofore issued by the corporation are of no effect.

ARTICLE X – DISSOLUTION

10.1 Board Action. A two thirds majority of the Directors entitled to vote, and who are present in person or on the telephone at any regular or special meeting of the Directors may:

- (a) determine that the continued existence of the Corporation is no longer in the best interests of the Members, and

- (b) direct the Secretary to notify the Class A Members and the Class B Members by certified mail, return receipt requested, of a special meeting to consider the dissolution of the Corporation which shall be held not less than 30 days following the mailing of the notice. Said meeting shall take place between July 1 and September 1.

10.2 Members' Action. At any meeting called pursuant to Article 9.1 and in accordance with Article 5.5(b), two thirds of the Members entitled to vote on a Fundamental Change and who are present in person or on the telephone may:

- (a) determine that the continued existence of the Corporation is no longer in the best interests of the Members, and
- (b) authorize the Directors to wind up the affairs of the Corporation including, but not limited to, liquidating all assets of the Corporation and paying all liabilities of the Corporation.

10.3 Distribution. Once the Directors have concluded the liquidation of the Corporation's assets and the payment of and/or reserve for all of the Corporation's liabilities, the Corporation shall distribute the remaining assets of the Corporation as follows:

- (a) One full share shall be distributed for each house in either Hancock or Washington County, Maine for which a Cottage Fee has been paid in the same calendar year and prior to the notice of a meeting to vote on dissolution. This single share shall be distributed to the owner, or collective owners, of that property. The owner of said house could be either a Class A or a Class E Member.
- (b) Class B Members who have paid their Annual Member fees during the same calendar year and prior to the notice of a meeting to vote on dissolution will receive a percentage share based on the ratio of the annual member dues to the cottage fee at the time of dissolution rounded to the nearest whole number as outlined below.

a. Example using 2016 fees:

i. B Members age 35 and over –

$\$150 / \$3978 = 3.78\%$ of a share – rounded to 4% of a share

ii. B Members under age 35 –

$\$75 / \$3978 = 1.89\%$ of a share – rounded to 2% of a share

- (c) Class C Members will not receive any share

ARTICLE XI – INDEMNIFICATION

11.1 Indemnity.

- (a) The corporation shall indemnify any person who was or is a party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding either civil, criminal, administrative or investigative by reason of the fact that the person is or was a Director, Officer or employee of the Corporation against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by that person in connection with such action, suit or proceeding to the extent that the person is not otherwise indemnified and to the fullest extent the power to do so has been or may be granted by the law.
- (b) The Board may, and on request of any such person shall be required to, determine in each case whether the applicable standards in any such statute have been met. Such determination shall be made by independent legal counsel if the Board so directs or if the Board is empowered by law to make such determination.

11.2 Indemnity Not Exclusive. The rights described in Article 11.1 shall not be deemed exclusive of any other right to which one indemnified may have been entitled, both as to action in his official capacity and as to action in another capacity while holding such office, and shall inure to the benefit of the heirs, executors and administrators of any such person.

11.3 Insurance. The Board, at the Corporation's expense, may:

- (a) purchase and maintain insurance on behalf of the Corporation and on behalf of others to the extent that power to do so has been or may be granted by law, and
- (b) give other indemnification to the extent permitted by law.

ARTICLE XII – AMENDMENTS

- (a) A two thirds majority of the Directors entitled to vote, and who are present in person or on the telephone, may amend these By-Laws for purposes of clarification, in whole or in part, at any time and from time to time at any regular or special meeting of the Directors
- (b) A two thirds majority of the Members entitled to vote pursuant Article 5.6(a), and who are present in person or on the telephone, at any regular or special meeting of the Members may amend these By-Laws, in whole or in part, at any time and from time.

- (c) The notice of each meeting of the Directors or the Members which is called for the purpose of amending the By-Laws shall provide a summary of the proposed amendments.
- (d) The Secretary shall attach each amendment to these By-Laws to this document, and indicate on each amendment the effective date of the amendment.
- (e) The Secretary shall post, or cause to be posted, on the Corporation's website, and shall notify the Members by E-Mail of, each amendment to these By-Laws promptly after its adoption by the Directors or the Members, as the case may be.

ARTICLE XIII – GENERAL PROVISIONS

13.1 All terms used in these By-Laws without definition in Appendix A which are in the Nonprofit Corporation Law shall have the meanings assigned to them in the Nonprofit Corporation Law.

13.2 Headings.

- (a) The Article, Section and other headings which appear in these By-Laws are included for reference purposes only.
- (b) The Article, Section and other headings do not constitute part of these By-Laws, and no person shall use them in interpreting these By-Laws.

13.3 Article, Section References. All references in these By-Laws to particular Articles, Sections, Subsections, and paragraphs are references to sections of these By-Laws, unless those references expressly refer to sections of other documents.

13.4 Gender References. All references in these By-Laws to any gender include either or both masculine and feminine, as appropriate.

13.5 Number References. All references in these By-Laws to any number include both singular and plural where the context so permits or requires.

13.6 Severability. If any provision of these By-Laws is held to be illegal or invalid:

- (a) that illegal or invalid provision shall not affect the remaining provisions of these By-Laws, and
- (b) these By-Laws shall be construed as if that illegal or invalid provision had never been included in these By-Laws.

13.7 Governing Law. These By-Laws shall be governed by and interpreted in accordance with the laws of the State of Maine including, but not limited to, the Maine Nonprofit Corporation Act.

Revisions adopted August 11, 2016

AMENDED 16 MAY 2019

AMENDED 02 SEPTEMBER 2021

APPENDIX A – Defined Terms

SECTION 1: The following terms shall have the following meanings:

Articles of Incorporation. At any time, the Corporation’s articles of incorporation, as amended to date, filed with the Secretary of State of the State of Maine.

Board. Collectively, the directors of the Corporation duly elected by the Members in accordance with Article 6.4.

By-Laws. These by-laws and all future amendments to these by-laws in accordance with Article XIII.

Class Member. At any time, individually, a member of a Member Class.

Corporate Officer. Individually, an officer of the Corporation elected and serving in accordance with Article 7.1(b).

Corporate Officers. Collectively, all officers of the Corporation elected and serving in accordance with Article 7.1(b).

Corporation. Grindstone Association, a Maine non-profit corporation.

Director. At any time, individually, a member of the Board duly elected by the Members in Accordance with Article 6.4(b), or the Directors in accordance with Article 6.13 as the case may be, and serving in accordance with Article 6.4.

Director Class. At any time, each class of three at large Directors, the members of which are serving a three year term.

Directors. At any time, collectively, all members of the Board duly elected by the Members in accordance with Article 6.4(b), or the Directors in accordance with Article 6.13 as the case may be, and serving in accordance with Article 6.4.

Member. At any time, individually, a member of the Corporation.

Member Class. At any time, collectively, the members of Class A, Class B, Class C, Class D, Class E or Class H as defined in Article 3.1.

Members. At any time, collectively, all members of the Corporation.

Nonprofit Corporation Law. At any time, the Maine Nonprofit Corporation Act of 2003, as amended to date.

Partner. At any time, an adult who is the partner of, but not married to another person. [Partners are two mentally competent, unmarried adults who have been domiciled together for at least 12 months under long term arrangements that evidence a commitment to remain indefinitely responsible for each other's welfare, and who are not married to, or legally separated from, another individual.]

Spouse. At any time, an adult who is married to another person.