

The following Bylaws of the Stockton Harbor Yacht Club were adopted by the Membership of the Club at the duly authorized Special Meeting of the Club on March 19, 2019. Said Annual Meeting was held in accordance with Maine Statute 13-B § 603 where a quorum had been met and the majority of votes cast were in the affirmative of adoption of these stated Bylaws.

CHANGES ADOPTED ON: November 16, 2019

BYLAWS OF STOCKTON HARBOR YACHT CLUB, INC.

Article I: NAME AND PURPOSE

Section 1: Name

The official name of the organization is the Stockton Harbor Yacht Club, Inc. dba Stockton Harbor Yacht Club aka SHYC and/or the Club.

Section 2: Purpose

The purposes of Stockton Harbor Yacht Club are to support recreational boating and social activities among its Members and encourage and facilitate the interaction of its Members through social events, educational programs and other boating, social and community activities.

As stated in the Articles of Incorporation: *“The Association is organized to provide for the operation of a private yacht Club for the use of the Members of the Association, without stock, as a non-profit organization, including, but not limited to, to be empowered to acquire by lease, purchase or otherwise, real and personal property for use for wharves, docks, moorings and clubhouse, and to sell, mortgage or otherwise dispose of the same, and to have such powers as are necessary, incidental or convenient for the accomplishment of the forgoing purposes, including power to increase and decrease Membership in accordance with suitable bylaws.”*

Article II: MEMBERSHIP

A household of one (1) or two (2) persons who have been sponsored by at least one (1) Club Member in good standing will be considered one (1) Membership. A Membership constitutes a primary named person without regard to marital status and one additional named person of legal age who either a) resides full time with the primary named person and/or b) shares in the ownership of a boat with the primary named person as well as any family Member under the age of twenty-two who resides under the same roof as the primary named person shall be entitled to enjoy all privileges of Membership. Such designation must be made at the time of new Member application to the Secretary. Membership is entitled to one (1) vote in Club affairs and may only nominate one household Member to serve on the board at any one time.

Section 1: Membership Entitlement

Members in good have full use of the Clubhouse and related facilities. Specific rules of use are spelled out in the Club Rules, which is a separate and changing document.

In addition, Members in good standing are entitled to cast one vote per paid Membership at special and Annual Meetings called by the Board of Directors.

Section 2: Dues to be determined by Board of Directors

Dues for Membership will be determined once a year and will be announced to Membership at a monthly Board meeting.

Section 3: Membership Year

The membership year runs from Jan. 1 to Dec. 31. A voting member is defined as someone who has paid their membership dues for that year. Fees for use of docks and moorings are due no later than March 1. The Board of Directors may offer an incentive to encourage early payment. At the Boards discretion payment terms may be offered.

Section 4: New Member: No Penalty

No penalty will be assessed to a new Member regardless of when they join. A new Member is one who has never been a Member of SHYC.

Section 5: New Member Introductions

In accordance with the Club's Articles of Incorporation, anyone over the age of Twenty-one (21) is eligible to become a Member. New Members must be introduced by at least one Member in good standing and submit an application which will be promptly reviewed by the Membership Committee (to be defined below). A decision will be promptly made and communicated in writing to the prospective new Member conditioned on full payment of dues at that time. The Club Rules and Club Bylaws shall be accessible in the Club and provided to all members.

Section 6: Revocation of Membership

If a Member violates Club Rules, he/she/they may be warned by the Board of Directors in writing. If the violation continues or is particularly egregious in nature, the Member may be expelled by action of the Membership Committee. In such a case, the Member may appeal, in writing, to the Board of Directors, who will convene an Executive Session and render a timely decision. That decision will be final and if the expulsion is affirmed, there shall be no refund of dues paid.

Section 7: Board of Directors Membership Authority

The Board of Directors shall be authorized by the Membership to make changes to **Article II Section 1: Types of Membership** to respond and adapt to changes as needs/situations arise/change. To accomplish this, wording shall be added to the Club Rules to allow the Board of Directors to revise the provisions of **Article II Section 1: Types of Membership** as needed by a majority vote of the full Board of Directors present (in person or remotely) at any scheduled Regular Meeting of the Club.

Article III: GOVERNANCE AND MANAGEMENT

Section 1: Board of Directors

The government and general management of the Club shall be vested in the Board of Directors. The number of Board members will not exceed 10% of the SHYC membership, established no less than 60 days prior to the annual elections by the current Board of Directors. Each year the Board will include the four (4) Officers of the Club, namely: Commodore, Vice Commodore, Secretary and Treasurer. Upon their election, the Directors will elect among themselves their Officers.

Section 2: Qualifications for Board Membership

To qualify for Board Membership a Member in good standing, over the age of 21 and have some experience in Boating and Social activities.

Section 3: Election of Board Members

There will be no cumulative voting and no preemptive rights. Voting will be either in person, by proxy, by absentee ballot, or by electronic voting if allowed by the Board and applicable law. In any election for the Board of Directors, Candidates will be ranked according to the number of votes received. The number of Candidates necessary to fill the vacancies on the Board receiving the highest number of votes at the Annual Meeting of the Members for each designated term shall be declared elected. Election procedures are outlined in Article V (Membership Meetings) of these Bylaws.

Section 4: Powers

General Powers. The Board shall have full power and authority to do any and all things that it deems to be proper and in the best interests of the Club, except those powers that are specifically reserved to the Membership in these Bylaws or at the discretion of the Board are to be delegated to professional management. These powers shall include but are not limited to setting and adjusting hours of Club use and modification of services or Facilities without notice or liability for any loss or inconvenience thereby resulting. The Board shall have general supervision and control over all Officers and Committees. Decisions of the Board shall be final in all matters other than decisions specifically reserved for the Membership of the Club.

Bartering. Membership, moorings, and/or dockage may not be used as a form of payment for services and/or donations. Any form of bartering is prohibited.

Section 5: Meetings

All Board Members shall be voting Members of the Club in good standing. The Board shall meet at least once each calendar month. Unless previously established, the date, the time, and the location of the next regular Board meeting shall be designated at each regular meeting of the Board. Attendance may be via telephone conferencing or other electronic means. Board meetings are open to all Members in good standing. In accordance with Maine State Law, notice of all meetings and agenda must be sent as well as being posted on the official bulletin board at the Clubhouse ten days prior. A draft of the previous meeting minutes shall be sent out to the membership with the notice of the next meeting.

Section 6: No Remuneration

No elected Officer or Board Member shall receive remuneration for his/her official services but may be reimbursed for reasonable expenses incurred if approved by the Board.

Section 7: Conflict of Interest

Members of the Board of Directors of the Stockton Harbor Yacht Club have an affirmative obligation to act at all times in the best interests of Stockton Harbor Yacht Club and without conflict to the interests of Stockton Harbor Yacht Club. This policy serves to define the term conflict of interest, to assist the Board of Directors in identifying and disclosing such conflicts, and to provide a means of determining whether a conflict exists and resolving the conflict.

Conflict of Interest Defined: A conflict of interest may arise when the ability of a Director to make unbiased and impartial decisions on behalf of Stockton Harbor Yacht Club is compromised, particularly when a personal financial interest may be at stake. Such circumstances may involve family relationships, business transactions, professional activities, or personal affiliations.

Disclosure: The Board of Directors recognizes that conflicts of interest are not uncommon, and that not all conflicts of interest are necessarily harmful to Stockton Harbor Yacht Club. However, the Board of Directors requires full disclosure of all actual and potential conflicts of interest. Each Director shall disclose any and all facts that may be construed as a conflict of interest, both through an annual disclosure process and whenever such actual or potential conflict occurs.

Process and Remedy: The Board of Directors will determine whether or not a conflict of interest exists, and whether or not such conflict materially and adversely affects the interests of Stockton Harbor Yacht Club. A Director whose potential conflict is under review may not vote or otherwise participate in such determination. If the Board of Directors determines that an actual or potential conflict of interest does exist, the Board of Directors shall also determine an appropriate remedy. Such remedy may include, for example, the recusal of the conflicted Director from participating in certain matters pending before the Board of Directors.

Resolution of Conflicts: If the Board of Directors identifies an actual, potential, or apparent conflict of interest, the Board of Directors shall analyze and consider the circumstances presented and take appropriate action to resolve the conflict, which may include a decision to *wave* the conflict of interest as unlikely to affect the Director's ability to act in the best interests of the organization; to *recuse* the Director from deliberation and decision-making related to the particular matter that gives rise to the conflict of interest; or other appropriate action up to and including a determination that the only

solution is for the Director to *resign* because the conflict is so pervasive that the Director would likely seldom, if ever, be able to act solely in the best interests of the Club.

Procedure for Allowing a Business Relationship with a Director: A potentially waivable conflict of interest exists any time a Director seeks to enter into a business relationship with Stockton Harbor Yacht Club. Similar conflicts may arise through family Members or through organizations in which Directors serve in a leadership, employment, or ownership capacity.

Such conflicts do not automatically preclude business relationships with Stockton Harbor Yacht Club, but may be waived if determined to be in the best interests of Stockton Harbor Yacht Club. The following procedure is designed to resolve conflicts of interest whenever a Director, or a related party, seeks to provide goods or services to Stockton Harbor Yacht Club as a paid provider of goods and/or services (a “business relationship”).

- The Director must promptly disclose the intent to enter into a business relationship with Stockton Harbor Yacht Club.
- The interested Director may not vote or otherwise decide on whether to enter into the contemplated business relationship.
- The non-interested Directors will determine whether alternatives to the proposed business relationship should be explored and if so, whether Stockton Harbor Yacht Club could obtain a materially more advantageous transaction or arrangement from a person or entity that would not give rise to a Conflict of Interest, considering the totality of the proposed business relationship.
- After considering alternatives, if any, and considering the totality of the proposed business relationship, the Board of Directors shall determine by a majority vote of the disinterested Members, without the presence or participation of the Director under review, that the transaction is fair and in the best interest of Stockton Harbor Yacht Club.
- If the Board of Directors approves the business relationship under consideration, the Director may not participate in any process by which his/her performance as a vendor or other contracting party is evaluated, or in any such evaluation of a related party.

Annual Disclosure Process: On an annual basis, each Member of the Board of Directors shall be provided with a copy of this policy, and shall complete and sign the acknowledgement and disclosure form provided by the Secretary.

Section 8: Removal of Officers and Board Members

Officers and Board Members may be removed for cause by an affirmative vote of two-thirds (2/3) of the full Board or by an affirmative vote of a majority of a quorum of the Members eligible to vote at any annual or special meeting. The inability of an elected Board Member to qualify for bonding shall be deemed as cause, but not the only cause, for removal. Other causes of removal include but are not limited to; failure to attend three (3) consecutive Board meetings without excuse, breach of the standards of conduct prescribed in applicable state statutes and in Club Rules, guidelines and policies, or cessation of Club Membership.

Section 9: Rules and Quorum

The Board may adopt such Rules for the conduct of their meetings and the general management of the Club as they deem proper. Except as otherwise herein, a quorum for the conduct of any business is a simple majority of active Board Members at that time. The Board may authorize Committees of the Club as may be helpful in the transaction of business.

Section 10: Commodore

The Commodore shall preside at all meetings of the Board and the Membership. The Commodore shall, with the Secretary, sign all obligations, contracts, and other instruments as approved by the Board unless otherwise provided by the Bylaws. The Commodore shall, with approval of the Board, appoint a Chairperson for the various Committees authorized by the Board and such other Committees as the Commodore shall deem necessary and shall be an ex-officio Member of all Committees.

Section 11: Vice Commodore

The Vice Commodore shall perform the duties of the Commodore when the Commodore is absent or unable to perform such duties and shall perform such other duties as may, from time to time, be assigned by the Commodore. In the absence of both the Commodore and the Vice, the Board shall appoint from among the Directors an Acting Commodore.

Section 12: Secretary

It shall be the Secretary's duty to keep a record of the Clubs proceedings on a contemporaneous basis and with the Commodore to sign all obligations, contracts, and other instruments and to discharge such other duties as may be entrusted by the Board. In addition, the Secretary will serve as the presiding officer of any and all elections. The Secretary may delegate any of the foregoing duties to others acting as Assistant Secretary as the Board approves.

Section 13: Treasurer

The Treasurer shall be the Chair of the Finance Committee. The Treasurer shall cause to be collected, held, controlled and disbursed all Club monies, subject to policies approved by the Board; and it shall be the Treasurer's duty to issue and control Membership Certificates and cause to be collected all monies due to the Club from such issuance as well as dues and charges from Members. The Treasurer shall have such other duties as are prescribed by the Board. The Treasurer may delegate any of the foregoing duties to others acting as Assistant Treasurer or otherwise as the Board approves.

Section 14: Past Commodore

The immediate past Commodore of the Club shall, upon retiring from that office and from his/her term as a Board Member, serve as an ex-officio Board Member until such time as a successor Commodore replaces him/her in that capacity. As an ex-officio Member, he/she may participate in all deliberations of the Board, but shall not vote or exercise any official executive authority.

Section 15: Vacancies

In the case of a vacancy in the office of the Commodore, the Vice Commodore, the Secretary, the Treasurer or Board Member the board shall fill such vacancy by appointment. The appointment of a Board Member shall be for the period of time remaining until the next Annual Meeting of the Club at which time any vacancy for which an unexpired term remains shall be filled by election. If any Board

Member is absent from three (3) consecutive Board meetings, the Board may remove him/her and declare a vacancy.

Section 16: Family Members

Multiple Members of the same family or joint Membership may not serve on the Board simultaneously as this may cause a conflict of interest.

Article IV: COMMITTEES

Section 1: Appointment

The Board shall have the authority to establish Committees to administer and oversee functions of the Club. All Committees will; serve at the pleasure of the Board, be subject to the supervision and authority of the Board, and may act only as specifically authorized by the Board. No Committee or Member of any Committee shall have any authority to act on behalf of the Club except as expressly authorized by the Board. The Board shall have the authority to appoint and remove (with or without cause) any Committee Members and shall have the authority to designate a Director of the Board as Chairman of any Committee. The Board shall have the authority to establish the purpose, rights and responsibilities, and rules of governance of each Committee. Meetings of Committees shall be attended by the Committee Members and appropriate staff and may be attended by any Director without invitation as well as any other person by invitation of the Committee. Each Committee shall report in writing its activities to the Board.

Executive Committee

The Executive Committee shall consist of the Officers including the Commodore, the Vice Commodore, the Secretary, and the Treasurer. The Commodore shall be Chairman. The Executive Committee shall have the authority of the Board during any period that the Board stands adjourned, but its actions shall then be approved or disapproved at the next meeting of the full Board. The Executive Committee shall meet as needed at the call of the Commodore. The Committee shall regularly report to the Board on its activities.

Finance Committee

The Finance Committee shall have supervision over the finances, accounting, internal controls and information systems of the Club. It shall prepare plans for financing the current activities, fixed and capital assets, and obligations of the Club. The Finance Committee shall propose to the Board and enforce policies that will help maintain the fiscal integrity of the Club.

Section 2: Special Committees

The Board may authorize Special Committees to be appointed from time to time. The Commodore of the Board shall appoint the Special Committee Chair contingent on approval by the Board of Directors. The Chair of the Special Committee shall appoint the Members of the Special Committee.

Section 3: Duration of Appointment and Service

Appointment as a Member of a Standing Committee or other Committee authorized by the Board. Duration of appointment, except to the extent otherwise specified herein, shall be until the next Annual Meeting or until the Member's earlier ineligibility to serve. No Member, including a former Commodore, shall be appointed to serve on the same Standing Committee for more than 3 consecutive years.

Section 4: Reports by Committees

All standing Committees shall, unless otherwise directed, report in writing to the Board at least 20 days prior to the Clubs Annual Meeting and shall make special reports at any time on their own motion or when requested by the Commodore or the Board.

Article V: MEMBERSHIP MEETINGS

Section 1: Quorum

The presence of at least [20] percent of the voting Members, either in person or by proxy, will constitute a quorum at any meeting of the voting Members.

Section 2: Notices

In accordance with Maine Statute 13-B § 603, written notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than 10 days nor more than 50 days before the date of the meeting, either personally, electronically or by mail, by or at the direction of the Commodore, the Secretary, the Officers or persons calling the meeting, 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 corporation, with postage thereon prepaid. Additionally, notice of any meeting shall be posted on the official bulletin board at the Clubhouse on the date of its "mailing" (either in person, electronic means or mail) to the Members.

Notice of any regular or special meeting of the voting Members may be given electronically to any Member who has consented to receive notices by electronic transmission and has provided an e-mail address to the Club for such purpose.

Section 3: Annual Member Meeting

An Annual Meeting of the Members of the Club will be held each year for the purposes of receiving reports of Officers and others, to elect Directors and for such other business as may be properly brought before the meeting. The Annual Meeting of the Members will be held at the Club House in Stockton Springs, ME.

Section 4 Special Member Meetings

Special meetings of the voting Members may be called by the Commodore, a majority of the Board Members or by the written request of [10] percent or more of the votes of the voting Members then entitled to vote. Such request shall be submitted to the Commodore who will call a special meeting within 30 days of the date of receipt of such request. Notices of any special meeting must contain a statement of the purpose(s) for which such special meeting is called and no other business may be transacted at that meeting. Notwithstanding, the ability of voting Members to call a special meeting, Members may only vote on a matter if Members are expressly granted the right to vote on that particular matter by these Bylaws, the Clubs Articles, or state statute.

Section 5: Nominating Committee

A Nominating Committee shall make nominations for election to the Board. Prior to each Annual Meeting at which the voting Members elect Members to the Board, the Board shall appoint a

Nominating Committee to nominate Candidates for the election of the Board. Members of the Nominating Committee shall serve for a term of one year or until their successors are appointed by the Board.

The Nominating Committee will recommend and either personally, electronically or mail to Members, at least 30 days prior to the Annual Meeting of Members, a list of the names of voting Members selected by a majority vote of the Nominating Committee to be submitted to the voting Members of the Club at the Annual Meeting of voting Members. The minimum number of nominations shall be the number of Candidates to be elected, to be determined by the Board. The nominations will be promptly posted on the official bulletin board at the Clubhouse or on the Clubs website in an appropriate location accessible to all Members.

Twenty-five (25) percent or more of the total number of voting Members entitled to vote who are not on the Nominating Committee or the Board may also nominate Candidates for the Board by a petition signed by them and filed with the Secretary at least 35 days prior to the Annual Meeting.

The names of any such nominees, after having been certified by the Secretary or any other Officer that they are qualified for election and have been nominated in accordance with the provisions of these Bylaws, will be posted on the official bulletin board at the Clubhouse or on the Clubs website in an appropriate location accessible to all Members and will be included on any proxy mailing to the voting Members.

Section 6: Voting Percentage

Except for elections of Directors, where a plurality shall be sufficient, a majority of the votes shall be cast by the voting Members, in person, by proxy or absentee ballot at any duly called annual or special meeting of the Members at which a quorum of the voting Members is then present either in person, by absentee ballot or by proxy, is necessary for passage of any motion or approval of any action, except as otherwise expressly provided in the Articles, in these Bylaws or by applicable law.

Section 7: Voting Qualification

Only voting Members in good standing may vote on any matter on which Members are to vote. Good standing shall mean a voting Member is current in all obligations owed to the Club and not otherwise under suspension or subject to other disciplinary action taken by the Club that suspends the Member's voting privileges. [If a Membership consists of more than one Member, such as a husband & wife, co-owners of a boat, life partners, etc., only one Member may cast all votes associated with the voting Membership. In the event more than one Member of a Membership attempt to vote with respect to the same matter, no vote from that Membership will be counted].

Section 8: Absentee Ballots and Proxies

The Board will determine the form and procedure for the use of absentee ballots and proxies. Absentee ballots and/or proxies may be used by Members for a Member vote but may not be used by Board Members for a vote of the Board.

Section 9: Electronic Voting

The Board may, in the case of any matter to be voted on by the voting Members, permit the voting Members to vote electronically if permitted by law. The Board shall establish the procedures for voting

electronically, consistent with the provisions of applicable law, if any, and will advise the voting Members of such procedures prior to the vote. Votes cast electronically shall be counted for the purposes of establishing a quorum for the meeting in question.

Section 10: Action by Written Consent without a Meeting

Action may be taken by the written consent of the voting Members in lieu of a vote at an annual or special meeting. To be effective, a written consent must be signed by voting Members having not less than the minimum number of votes necessary to authorize such action at a meeting at which all Members entitled to vote on such action were present and voted.

Article VI: FISCAL YEAR

Section 1: Fiscal Year

The fiscal year of the Club shall be as adopted by the Board.

Article VII: BYLAW AMENDMENTS

Section 1: Amendments to Bylaws (Proposal by the Board)

The Board, by a majority vote, may elect to present to the Members a proposed amendment to these Bylaws. The specific proposal shall then be posted on the Clubs bulletin board and provided to all Members entitled to vote, together with an explanation of the purpose of the proposed amendment at least 30 days prior to the meeting at which the proposal will be considered. The ballot for the vote must permit the Member to vote FOR or AGAINST the specific proposal.

51% of the SHYC voting membership must approve proposed bylaw changes at a membership, Special or Annual meeting. Members may vote in person or by proxy. If electronic voting is utilized it must be a legal verifiable ballot.

Article VIII: PARLIAMENTARY ACTIVITY

The rules contained in the current edition of “Robert’s Rules of Order” shall govern “The Club” in all cases to which they are applicable and in which they are consistent with these bylaws and any special rules of order “The Club” may adopt.

Article IX: INDEMNIFICATION

Section 1: Directors and Officers

The Club shall, to the extent legally permissible, indemnify each person who may serve or who has served at any time as a Director or Officer of the Club against all expenses and liabilities, including, without limitations, legal fees and expenses, judgments, fines, penalties and settlement payments reasonably incurred by or imposed upon such person in connection with any threatened, pending or completed action, suit or proceeding in which the Director or Officer may become involved by reason of the person’s service in such capacity; provided, however, (I) that no indemnification shall be provided for any such person with respect to any matter as to which the person shall have been finally adjudicated in any proceeding not to have acted in good faith in the reasonable belief that such action was in the best interests of the Club, and (II) that any compromise or settlement payment shall be approved by a majority vote of a quorum of Directors who are not at the time parties to the proceeding.

Section 2: Director Immunity

A Director is not liable to the Club or to a Member or any other person for an action taken or not taken as a Director if the Director acted in good faith, with ordinary care, and in a manner that the Director reasonably believes to be in the best interest of the Club.

Section 3: Insurance Coverage

The Club may purchase and maintain insurance or a similar arrangement on behalf of any person who is serving the Club (or another entity at the request of the Club) against any liability asserted against such person and incurred by such person in such capacity or arising out of status as such a person, whether or not the Club would have the power to indemnify such person against that liability under this Article or by statute.

Article X: LIQUIDATION

In accordance with Exhibit B of the Articles of Incorporation: No part of net earnings of the Corporation shall inure to the benefit of any Member, Director or officer of the Corporation or any private individual (except that reasonable compensation may be paid for services rendered to or for the Corporation in carrying out one or more of its purposes), and no Member, Director, or officer of the Corporation, or any private individual, shall be entitled to share in the distribution of any of the corporate assets on dissolution of the Corporation.

Section 1: Dissolution or Sale of Substantially All Assets.

A sale or disposition of all or substantially all of the property and assets of the Club or the dissolution of the Club shall require a resolution duly adopted by the Board. The resolution then must be approved by at least two-thirds (2/3) majority of the total votes cast by Members who are in good standing, in person or by proxy at the meeting.

Section 2: Procedure

Upon a dissolution and liquidation of the Club for any reason, the Board shall cause the Clubs independent accountants to make a full and proper accounting of the assets, the liabilities and the operations of the Club, as of and including the last day of the month in which the dissolution occurs and shall liquidate the assets as promptly as is consistent with obtaining the fair value thereof.

Any assets of the Club, upon dissolution of the Corporation, shall first pay, or make provisions for payment of, all known debts and liabilities of the Club. In the event that upon dissolution of the Corporation the assets of the Club fail to meet all of the known debts and liabilities of the Club, a different formula will be provided in the resolution approved by the Board and the voting Members.