



The 123rd Annual Meeting of the Castine Golf Club
will be held on **Sunday, August 23 at 5:00 PM**
on the clubhouse patio.

All members are urged to attend.

A proxy ballot will be sent out before the meeting so those members not in town can vote.

We will observe all current State of Maine COVID-19 guidelines for public gatherings and limit the number of members on the patio. There will be chairs set up on the lawn around the clubhouse for additional seating.

**The Nominating Committee of the Board of Directors recommends
the following members to serve 2-year terms:**

Tennis Chair: Jenny Bicks and Emerson Bruns, co-chairs

Greens Chair: Jon Noel

House and Social Chair: Lauri Lyman

At Large (2-year term): James Dearborn

At Large (1-year term): Bill Dudine

Any questions about the proposed slate of new officers should be directed to Meg Taylor, chair of the Nominating Committee.

The Board of Directors also recommends the following change to the by-laws:

**RESOLUTION FOR THE CONVERSION
AND MERGER OF THE CASTINE GOLF CLUB**

RESOLVED, that the Castine Golf Club ("Club") shall be converted into a 501(c)(7) corporation under the Internal Revenue Code of 1986, as amended and applicable regulations, such conversion to be effected through a merger of the Club with and into a newly formed 501(c)(7) corporation, incorporated under the laws of the State of Maine, as the successor to the Club, and that the Board of Directors of the Club ("Board") are authorized to take such actions as necessary or appropriate to (i) approve any filings required to form such new entity and to qualify it as a 501(c)(7) corporation; (ii) adopt all organizational documents that the Board deems appropriate for such entity; (iii) authorize the filing of Articles of Merger pursuant to which (A) the Club and the new entity will merge and (B) the new entity will be the survivor corporation, and (iv) take any such further actions as the Board deems appropriate to effect the foregoing.

RESOLVED FURTHER, that each of the officers of the Club be, and hereby is, authorized, empowered and directed to take any and all actions, and to execute and deliver the Articles of Merger any and all documents, certificates, agreements and other instruments (including all actions, filings, agreements, notices, and other instruments or documents) as shall be deemed by the Board or the officers to be necessary or appropriate to be performed, executed, delivered or filed in connection with carrying the foregoing resolution into effect.

EXECUTIVE SUMMARY 501(C)(7) CONVERSION

As the members know from our discussion at the annual meeting last summer, the Club authorized the Board of Directors to explore and direct a conversion of the Castine Golf Club to a 501(c)(7) organization under the Internal Revenue Code. At the annual membership meeting this year scheduled for Sunday, August 23, the membership will consider a membership resolution authorizing the Board to move forward with the next steps in the 501 (c)(7) conversion process.

As we discussed last year, converting the Club to a 501(c)(7) organization will make the Club a tax-exempt organization for Federal tax law purposes. This conversion is important for continued financial health of the Club and will among other things, permit the Club to create and build operating reserves without adverse income tax consequence. It is also important to note that most nonprofit country clubs are organized as 501(c)(7) organizations.

In light of the foregoing, representatives of the Board discussed with our counsel here in Maine (Drummond Woodsum in Portland) the best way to accomplish the conversion such that the conversion will maintain the existing substantive provisions of the Club's original organizational documents and membership rights and structure. Our counsel recommended a two-step legal process to accomplish our conversion goals. The initial step involves the formation of a new Maine non-profit corporation to be qualified under IRC Section 501(c)(7), and combining that entity with the Club. This would be considerably less complicated than the process of converting our existing corporation while still furthering all of our goals. The second step involves the combination of the two entities.

In order to undertake the combination and have the new corporation assume all of the rights and obligations of the Club, our counsel advised us to merge the existing corporation (the Club) and the new corporation, with the new corporation "surviving" the merger. A merger actually is a simple statutory process done by filing articles of merger with the State of Maine and the merger becomes effective immediately upon receipt by the State. The 501(c)(7) status of the new corporation will become effective once the 501(c)(7) application for the new corporation is approved by the IRS which is expected to occur sometime in the late fall of 2020. Representatives of the Board will be working with the Club's outside accountants and counsel to process the 501(c)(7) application. Once the application has been approved, we will work with counsel to complete the merger process.

If you have specific questions regarding the foregoing please feel free to contact Ned Odegaard nedodegaard@gmail.com, Emerson Bruns ebruns@3blaw.com, Bill Dudine william.dudine@katten.com or John Zoller john@zollerconsultinginc.com. In addition, John, Ned, Emerson, and Bill will be holding two informal question and answer sessions at the Clubhouse patio on Friday, August 7 at 4:00 PM and on Thursday August 13, at 4:00 PM, to address members questions regarding the 501(c)(7) conversion.