

BYLAWS OF CLOQUET COUNTRY CLUB

ARTICLE I. GOVERNMENT

SECTION 1: The administration and management of the affairs of the Cloquet Country Club shall be vested in the President and the Board of Directors. The Board of Directors is the governing body and shall control all the property and business.

ARTICLE II. OFFICERS

SECTION 1: OFFICERS

The officers of this corporation shall be a President, a Vice-President, a Secretary-Treasurer and/or a Treasurer, each of whom shall hold a membership in good standing in the corporation.

SECTION 2: ELECTION & APPOINTMENT

The President shall be elected at the annual meeting of the corporation to serve for a term of one year. The Vice President, Secretary and Treasurer shall be appointed to their offices by the Board of Directors at its first meeting following their election. The offices of Secretary and Treasurer may be held by the same person. Vacancies in such offices may be filled for the unexpired term by appointment by the Board of Directors. Unless the Secretary and Treasurer are also members of the Board of Directors, they shall not be entitled to vote at meetings of the board.

SECTION 3: THE PRESIDENT

The President shall preside at all meetings. The President shall have the general supervision of the affairs of the Club, shall sign and countersign all certificates, contracts, and other instruments of the Club as authorized by the Board of Directors, and shall perform all such other duties as are incident to the office or are properly required by the Board of Directors. In the absence or disability of the President, the Vice-President shall exercise all of these functions.

SECTION 4: THE SECRETARY

The Secretary shall issue notices for and keep a record of all meetings, and shall sign, with the President, such instruments as require a signature and shall make such reports and perform such duties as are incident to the office or are properly required by the Board of Directors.

SECTION 5: THE TREASURER

The Treasurer shall have the custody of all monies and securities of the Club and shall deposit all funds of the Club in accounts with federally insured banks or savings and loan associations. The Treasurer shall keep regular books of account, sign and countersign such instruments that require a signature and shall perform all duties of the office or that are properly required by the board. In the absence or disability of the

Treasurer, the President shall exercise all his functions. The requirement of the bond may be waived by a vote of five (5) or more members of the Board of Directors.

ARTICLE III. BOARD OF DIRECTORS

SECTION 1: MEMBERSHIP

The Board of Directors shall consist of seven (7) members as follows:

- (a) Six (6) members elected by the membership in accordance with Article III, section 3.
- (b) A President who shall be elected by the members annually.

SECTION 2: TERMS OF OFFICE

The terms of office of each director elected from the general membership shall be three (3) years, to be staggered so only two (2) new directors shall be elected at the annual election. The term of the President shall be one (1) year and until the next election to be held in accordance with these bylaws, or until his successor shall have been elected or otherwise shall qualify.

SECTION 3: NOMINATING COMMITTEE

The committee shall endeavor to solicit members who are the most qualified and interested to be President and directors. The President and the six (6) Directors elected from the general membership shall be elected in the following manner:

(a) The nominating committee shall consist of one (1) board member and three (3) members from the standing committees. The nominating committee shall meet thirty (30) days prior to the annual election meeting, nominate two (2) members of the Club holding membership in good standing for election to the Board.

(b) The nominating committee will nominate a member in good standing for the office of President.

(c) Additional nominations for election of the President and the Board of Directors may be made from the floor at the annual election meeting by the members in good standing of the Club.

(d) At least ten (10) days before the annual election meeting, the Secretary shall cause to be printed and mailed or electronically communicated to each member of the Club holding membership a list of the names of candidates so nominated. The election for the President shall be conducted before the election of directors.

(e) The one person receiving the highest number of votes on the ballot for office of President shall be declared elected. If a candidate is running unopposed a voice vote may be used if there is no objection from the membership.

(f) Voting shall be by written ballot and the two (2) people holding the highest number of votes shall be declared elected as directors. If candidates are running unopposed a voice vote may be used if there is no objection from the membership.

(g) There shall be at least one (1) Director on the Board at all times elected by the membership who shall be a female in good standing.

SECTION 4: APPOINTMENT TO VACANCIES

Vacancies occurring in the Board of Directors may be filled until the next election of directors by the remaining members of the Board.

(a) **Vacancy.** In the event any member of the Board fails to attend three (3) meetings without legitimate excuse approved by the President of the said Board, he shall thereupon cease to be a member of the Board.

(b) **Appointment.** The Board of Directors shall notify the membership of any vacancy on the board and shall seek volunteer members to serve until the next election of directors.

SECTION 5: MEETINGS

The Board of Directors may hold a meeting at any time or place within Carlton County upon three (3) days written or electronic notice and may at such meetings transact any business relative to the affairs of the club not inconsistent with these by-laws.

(a) **Monthly Meetings.** The Board of Directors shall meet at the discretion of the Board, commencing with the month of November through October, and at other times as the Board shall deem necessary. The Board of Directors shall establish a calendar of dates, times and places of the meetings and shall post at the Club and mail the same to the members.

SECTION 6: CONDUCT OF MEETINGS

The President shall conduct the meeting. In the absence of the President, the Vice-President shall conduct the meeting. In the absences of both the President and Vice-President, the directors present shall select one of their members as Chairman of the meeting, pro tem. In the absence of the Secretary at any meeting, the Chairman of the meeting shall appoint from among the members a Secretary pro tem, whose duty it shall be to keep a full and proper record of the meeting.

SECTION 7: QUORUM

A quorum of any meeting of the Board of Directors shall consist of not less than four (4) members of the Board. No business may be transacted without four (4) members of the Board voting on questions that may come before the meeting.

SECTION 8: COMMITTEES

The Board of Directors shall have the power to appoint such committee or committees as it deems necessary or expedient to properly conduct the affairs of the Club, and may invest such a committee or committees with such powers as the Board deems advisable. The Board may delegate this power to the President of the Club. Any committee so appointed shall serve until the purpose of such a committee for which it has been created has been accomplished or until the next annual meeting.

SECTION 9: CCC MANAGER

The Board of Directors will hire a Club Manager for the administration and management of the clubhouse, pro shop, driving range, golf courses activities and Golf Course Superintendent, and all other activities of the Club by written employment contract, either as an employee, or an independent contractor and shall designate such duties to him as the Board may deem advisable and necessary for his position and shall supervise his performance of these tasks by the requirement of regular reports to the Board. Such reports, at a minimum, shall be monthly reports.

SECTION 10: OFFICERS OF BOARD

All officers shall be elected by the Board of Directors and from their own membership, except for President. The office of Secretary/Treasurer will be appointed by the Board

which person may or may not be a member of said Board. The officers shall be elected at the first meeting of each year of the Board of Directors following their annual election.

ARTICLE IV. MEETING OF MEMBERS

SECTION 1: ANNUAL MEETING

The annual financial meeting of members shall be held the third Wednesday in November of each year at such a place in the County of Carlton the Board of Directors shall designate. The Board shall provide membership with the proposed annual budget and report the previous year's operation.

SECTION 2: ANNUAL ELECTION OF PRESIDENT & OFFICERS

The membership shall hold an annual meeting for the election of President and Directors to be held on the third Wednesday in November of each year for the purpose of electing a President and Directors.

SECTION 3: SPECIAL MEETINGS

Special meetings of members of the Club may be called by a resolution of the Board of Directors, or by the President (or the Vice-President in the absence of the President), or upon the written request of fifty (50) members in good standing. In case the President or Vice-President shall fail to act upon such a request for a special meeting within twenty (20) days after the same has been duly filed, the members requesting such meeting may themselves issue a call and post notice thereof on the bulletin board of the Club ten (10) days prior to the date set for such meeting, in addition to giving the notice specified in these bylaws.

SECTION 4: NOTICE OF MEMBER MEETINGS

Notice of meeting, written, printed or electronically communicated for every regular or special meeting of members shall be prepared and mailed to the last known post office address or sent to the last known email address of each member in good standing not less than ten (10) days before each meeting, and if for a special meeting, such notice shall state the object or objects thereof.

SECTION 5: MEMBERSHIP MEETINGS

The following rules shall apply to membership meetings:

(a) **Quorum.** A quorum for any meeting of the members shall consist of twenty (20) or more members holding membership in good standing present in person at such a meeting. A majority of such quorum shall decide any questions that may come before the meeting.

(b) **Voting.** No person shall be allowed to vote at any meeting, except members in good standing and each such member present shall be entitled to one vote. No eligible member shall be permitted to vote by proxy when voting for Directors or President of the Club, but shall be permitted to vote by proxy on any other matter properly before such meeting. Proxy ballots shall be available to all members in good standing by contacting the Club Secretary to obtain said ballots. Proxy ballots shall not be available on the date of the votes. All proxies must be submitted to the Club Secretary before the vote is taken. Failure to submit the proxies before the votes are counted shall eliminate that member's proxy vote.

(c) Conduct of Meetings. The President and Secretary shall be Chairman and Secretary respectively at any meeting. In the absence of both the President and Vice-President, the voting members present shall select one of their members as Chairman of the meeting, pro tem. In the absence of the Secretary at any meeting, the Chairman of the meeting shall appoint from among the members a Secretary pro tem, whose duty it shall be to keep a full and proper record of the meeting.

ARTICLE V. DUES & ASSESSMENTS

SECTION 1: DUES

To provide for the maintenance and operation of the Club, the Board shall have authority to assess annual dues upon each class of membership in such amounts as it shall deem necessary and proper, provided that such dues shall be assessed by the Board at a regular meeting of the Board and provided further notice thereof shall be given to each member of the Club at least ten (10) days prior to the date of the meeting of the Board at which time the proposed change is to be considered.

SECTION 2: ASSESSMENTS

The Board of Directors shall have the authority to levy assessments upon each class of membership in such amounts as it shall deem necessary and proper, provided that the assessment shall be levied at a regular meeting of the Board and further provided that either (a) notice thereof shall be given to each member of the club at least ten (10) days prior to the date of the meeting of the Board at which the proposed assessment is to be levied, or (b) without notice if made within ten (10) days after a regularly held meeting of the membership of which a majority of the members present voted in favor of the assessment.

SECTION 3: PAYMENT OF DUES & ASSESSMENTS

Annual dues of all persons holding membership in the Club shall be due and payable in the manner prescribed by the Board of Directors. During the first year of membership of any person joining the Club, said membership shall be for a period of not less than one (1) year, commencing with November 1st, prior to the date of joining of the Club and approval by the Board of the member's application. Annual dues of a new member shall commence, as of the date of approval of the membership and the new member shall have a minimum responsibility of one year's payment of dues retroactively to November 1st. The Board may adopt rules and regulations as to the payment of dues and assessments on an installment basis. Any new member shall pay assessments as determined by the Board.

SECTION 4: RESIGNATION FROM THE CLUB

Any member wishing to resign from the Club shall submit their resignation in writing or electronic communication to the General Manager. A member resigning in his first year of membership shall be liable for dues and assessments for the full current year. Thereafter, a member wishing to resign shall be liable for dues and assessments through the end of the fiscal year in which the resignation is accepted. The Board of Directors may, at its discretion, accept a resignation in writing at any time. If, in its opinion, enforcement of the foregoing rules would work a hardship on the resigning member through no fault of the member, the Board may waive the rules.

SECTION 5: CLASSIFICATION DETERMINATIONS

November 1st of each year will serve as the date that all membership classification determinations will be based. This will include, but will not necessarily be limited to, determinations for age, marital status, children's ages and status in school, or other determinations for classification which may arise. If it is deemed necessary, the Board of Directors or the Club Secretary may ask for a copy of a birth certificate, marriage license, school transcript, etc. as proof to determine proper membership classification or to settle a question or dispute involving membership classification.

SECTION 6: SUSPENSION OF FORFEITURE MEMBERSHIP

The Board of Directors shall have the power to suspend or forfeit the membership of any member for delinquency in payment of dues, assessments, or indebtedness to the Club, or for misconduct or willful violation of the rules of the Club in accordance with these by-laws, code of conduct and established rules of the Club. Forfeiture or suspension of membership shall be considered loss of good standing within the meaning of that term in these by-laws.

SECTION 7: HEARING FOR SUSPENSION ON FORFEITURE MEMBERSHIP

Before any member can be suspended or his membership forfeited for misconduct or willful violation of the rules of the Club, ten (10) days written or electronic notice, or 24-hour notice by means of telephone,, specifying time and place, when and where the Board of Directors shall consider the matter of the charges against such a member, shall be served personally upon such member, if personal service is practical. At the same time there shall be served upon such delinquent member written specifications of the charges against said member. If personal service is impracticable, the notice and specification of charges may be served upon such member by certified mail the same to said member at the last known address of said member at least ten (10) days before the day set for hearing thereon.

In all such cases, the member charged with misconduct shall be given a full and fair hearing and said member shall not be suspended or his membership forfeited, except upon finding by the Board of Directors that the member has engaged in misconduct injurious to the best interests of the Club or willful violation of the rules of the Club. The Board of Directors shall be the sole judge of what constitutes misconduct or a violation of the bylaws and established rules of the Club.

SECTION 8: MEMBER'S FINANCIAL OBLIGATIONS

Members are expected to pay their monthly bill before or on the 25th of each month. After 30 days of nonpayment, a letter (email) from the Board of Directors will be (e)mailed to the member. Playing and charging privileges will be suspended for any member who is 60 days or more past due. Privileges will be reinstated when the account is brought back to current, or a payment plan has been approved by either the Board of Directors or both the GM and the accountant. Members who are delinquent in paying their bills are subject to termination by the Board of Directors.

Members with outstanding balances at the end of the calendar year will not have their spot guaranteed for the next season. Prospects on the waiting list will be allowed to fill those memberships.

CCC CLUB ACCOUNT SECURITY POLICY

Requires members to supply the Club with a valid credit card or bank account information. All stockholders and members are required to have at least one form of active electronic payment on file. The Club is authorized to pull any payments during monthly payment processing or past due accounts.

SECTION 9: VOTING ON FORFEITURE OF MEMBERSHIP

A vote of at least five (5) members of the Board of Directors shall be required to forfeit a membership in the Club.

SECTION 10: WAIVER OF SUSPENSION ON FORFEITURE OF MEMBERSHIP

Board of Directors may waive suspension or privileges or forfeiture of any membership, or may reinstate any membership, under any circumstances as the Board, in its discretion, determines to be in the best interests of the Club (includes corporate or lifetime memberships).

SECTION 11: LIENS ON MEMBERSHIP

The Corporation shall have a lien upon the membership of each member for all indebtedness of such member to the Club and may forfeit or transfer such membership certificates as provided by the by-laws to satisfy any such indebtedness for which it has a lien in a manner herein provided.

SECTION 12: MEMBERS DELINQUENT IN PAYMENTS

After 90 days, an account failing to meet all the stipulations described above will be turned over for collection. The member will be notified of the initial step in this process and be given an opportunity to arrange a payment plan if not already established. If the member fails to contact the Club or uphold the plan arranged, the account will automatically be turned over to collections.

SECTION 13: AMOUNT

The amount of the annual dues and any special assessment shall be approved by the Board pursuant to Article V. Annual dues shall be from November 1 to October 31 of each year.

SECTION 14: WHEN PAYABLE

The method and time of payments of dues and assessments will be determined by the Board of Directors.

ARTICLE VI. MEMBERSHIP

SECTION 1: All persons desiring to use the facilities of the Cloquet Country Club for the purposes given in the Articles of Incorporation shall be eligible for membership.

SECTION 2: All applications for membership must be sponsored by a member in good standing and all such applications must be approved by a majority vote of the Board of Directors.

SECTION 3: MEMBERSHIP CLASSIFICATIONS & VOTING RIGHTS

The voting rights of membership is as follows. One vote for one member in good standing, with a maximum of two votes per membership. Social members, discounted introductory members and junior members do not have voting privileges.

SECTION 4: APPLICATION FOR MEMBERSHIP

The Board of Directors will review all membership applications monthly. If the Board deems an application to be eligible for membership by a majority vote that application will be accepted for membership. The Board may act on membership applications in bulk or individual applications. If the majority of the Board deems an application to be ineligible the applicant will be notified electronically and may not reapply for six (6) months. All eligible applicants shall meet all financial obligations set forth in this document and all other requirements imposed by the Board of Directors.

ARTICLE VI. STOCK

SECTION 1: ELIGIBILITY

Mandatory Purchase. In addition to membership application approval, all prospective Golfing Members, including single, couple or family members, must purchase at least one share of stock from the Club, with the following limited exceptions:

- (a) Members under the age of thirty;
- (b) members age eighty and older;
- (c) new members in their first year of membership; and
- (d) golfers using a season golf pass.

Each member's age shall be determined as of October 31st of the previous golf season for the purpose of determining the exemptions notwithstanding the foregoing, Golfing Members exempted from mandatory purchase and Social Members shall be eligible to purchase shares of stock from the Club and only Golfing Members and Social Members shall be eligible to purchase stock from the Club. All members who purchase shares of stock from the Club must provide accurate bank or credit card information.

SECTION 2: AUTHORIZATION & ASSURANCE OF SHARES

The Board is authorized to issue 757 shares of stock at a par value of \$1,000.00 per share. The Board may issue shares of stock upon the terms and conditions it deems appropriate in accordance with the Cloquet Country Club Stock Plan to all members required to purchase, or voluntarily purchasing, shares of stock. Notwithstanding the foregoing, the number of authorized shares shall not be increased without the affirmative vote of a three-quarters majority of Golfing Members and Social Members holding a share of stock present at a special meeting called for such purpose, which shall require a quorum of Golfing Members and Social Members holding 50% of all issued shares, and in no event shall be decreased below 757 shares. All authorized, unissued shares of stock shall be held by the Club.

SECTION 3: RESTRICTIONS ON TRANSFERS; REDEMPTIONS

Any sale or transfer of stock, other than redemption by the Club pursuant to this section, is prohibited and shall be null and void *ab initio*.

The Club may redeem a share of stock pursuant to a duly adopted resolution of the Board of Directors, by majority vote, affirming the following:

- (a) A prospective, or existing, Golfing Member or Social Member desires to purchase a share from the Club;
- (b) the share or shares that shall be redeemed are held by an active Golfing Member or Social Member of the Club; and
- (c) the financial condition and tax-exempt status of the Club will not be imperiled by the redemption.

The redemption price shall be the net book value of the club, as determined by the internal financial records of the Club as of the end of the previous fiscal year, divided by the authorized shares of stock, less a \$25 administrative fee.

The Club will redeem shares in the following order of priority:

- (a) An existing Golfing Member or Social Member who recruited the prospective new Golfing Member or Social Member;
- (b) a random drawing of shares held by a deceased Golfing Member or Social Member's estate, if any;
- (c) authorized, unissued shares held by the Club;
- (d) a random drawing of shares held by Golfing Members and Social Members purchased after September 30, 2015. Notwithstanding the foregoing, only shares that have been paid in full will be eligible for redemption.

SECTION 4: VOTING PREFERENCES

Each share of stock shall accord a Golfing Member or Social Member one additional vote on the following matters:

- (a) Any capital expenditure of at least \$50,000 paid from cash reserves, which shall require the affirmative vote of a three-quarters majority of Golfing Members and Social Members present at a special meeting called for such purpose with a quorum of Golfing Members and Social Members holding 50% of all issued shares;
- (b) Any cumulative debt commitment in excess of \$50,000.00, excluding leases not classified as debt on the Club's internal financial statements, which shall require the affirmative vote of a three-quarters majority of Golfing Members and Social Members present at a special meeting called for such purpose with a quorum of Golfing Members and Social Members holding 50% of all issued shares;
- (c) Any increase in the authorized number of shares of stock pursuant to Section 2.
- (d) Any amendment or modification to the Cloquet Country Club Stock Plan, which shall require the affirmative vote of a three-quarters majority of Golfing Members and Social Members present at a special meeting called for such purpose with a quorum of Golfing Members and Social Members holding 50% of all issued shares; and

(e) the sale, liquidation, or dissolution of the Club, which shall require the affirmative vote of a nine-tenths majority of Golfing Members and Social Members present at a special meeting called for such purpose with a quorum of Golfing Members and Social Members holding 75% of all issued shares and twenty days' written notice to the Membership. Absentee ballots shall be allowed each vote accruing to a Golfing Member or Social Member.

SECTION 5: FORFEITURE

A Golfing Member or Social Member shall forfeit their share or shares of stock in the event of resignation from the Club or if such member shall otherwise fail to participate as an active member of the Club. The Board of Directors shall periodically review the activities of the membership and shall forfeit a Golfing Member or Social Member's share or shares of stock only upon a duly adopted resolution by majority vote. All forfeited shares shall be held by the Club as authorized, unissued shares of stock.

SECTION 6: DISSOLUTION PREFERENCES

In the event of dissolution of the Club, Golfing Members and Social Members holding shares of stock shall be entitled to distribution of any remaining assets of the Club, allocated according to each Golfing Member and Social Member's share of the total authorized shares of stock of the Club, after the following distributions:

- (a) Distribution of assets received and held for a special use or purpose pursuant to Minn. Stat. § 317A.735, subd. 2;
- (b) payment of costs and expenses of dissolution proceedings, including attorney fees and disbursements; and
- (c) payment of debts, obligations, and liabilities of the Club.

ARTICLE VII. LIMITATION OF MEMBERSHIPS

SECTION 1: MEMBERSHIP LIMITATIONS

All members classified over 30 years old shall be counted and may not exceed 350 memberships. This number shall include lifetime membership (not corporate). The limitations of memberships shall continue until modified by the membership at a special meeting called by the Board of Directors in accordance with these by-laws.

ARTICLE VIII. MISCELLANEOUS

SECTION 1: FISCAL YEAR

The fiscal year shall commence on November 1st of each calendar year.

SECTION 2: ADMINISTRATION

All elected officials will assume office and responsibility at the first Board of Directors meeting following the annual election of President and Directors.

SECTION 3: COMMUNICATION

The Club Manager shall periodically publish a communication/newsletter for the benefit of all members.

SECTION 4: MINOR CHILDREN

Minor children of members, under the age of 18, may be admitted to the clubhouse and grounds at any time and are subject to club rules and restrictions as the Board of Directors may from time to time impose.

SECTION 5: VISITORS

Visitors accompanied by members may be admitted at such times and under such restrictions as the rules of the Club prescribe.

SECTION 6: DRESS CODE

The Board of Directors may adopt a dress code that it deems appropriate for Club functions, including dress on the golf course or tennis courts, and may impose such sanctions, as it deems necessary or advisable for the enforcements thereof.

SECTION 7: COMPLAINTS

Any complaint regarding staff or members in the clubhouse or on the golf course shall be directed, in writing, to the Club Manager, Superintendent, or any member of the Board of Directors, not to the individual employee.

SECTION 8: GENDER & NUMBER

Where appropriate references made in these bylaws to the masculine include the feminine, the singular includes the plural and vice versa.

SECTION 9: RULES OF ORDER

Robert's Rules of Order shall be the official rules of order for the operation of the Board of Directors and meetings of members except where inconsistent with these bylaws.

SECTION 10: BAR/DINING

Bar/dining minimum spending requirements may be set by the Board of Directors on a yearly basis.

ARTICLE IX. AMENDMENT

The Board of Directors may recommend amendments to the by-laws to the membership at the annual meeting. Written notice or electronically communication of the proposed changes must be mailed or sent to the membership ten (10) days prior to the annual meeting. The membership by majority of vote may amend these bylaws. Any amendment of the by-laws other than at the annual meeting shall be recommended by the Board of Directors and the membership shall receive notice ten (10) days in advance of the special meeting to consider said amendments. The Board of Directors and the Club Manager reserve the right to correct any grammatical errors or formatting of the by-laws without changing the integrity of them.

SIGNATURE

DATED