

# BY-LAWS OF CLOQUET COUNTRY CLUB

## ARTICLE I. GOVERNMENT

### **SECTION 1: ADMIN/MANAGEMENT**

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 by-laws, 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 or electronically 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 GENERAL 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 their position and shall supervise their 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 THE 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 Carlton County 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 by-laws.

#### **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 1<sup>st</sup>, 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 1<sup>st</sup>. The Board may adopt rules and regulations as to the payment of dues and assessments on an installment basis.

### **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 1<sup>st</sup> 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.

**SECTION 9: 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 10: 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 11: 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 12: 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 13: 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 14: 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 15: 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: ELIGIBILITY**

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: SPONSOR/REVIEW**

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 VII. STOCK**

## **SECTION 1: ELIGIBILITY**

Golfing members are defined as active paying members or lifetime members. All golfing members will be required to purchase at least one share of stock with the following exceptions:

- (a) Members under age 35
- (b) Members 80 & older
- (c) New members in initial promotional period(s)
- (d) Golfers using a free incentive membership

The member's age as of October 31<sup>st</sup> of the previous golf season is used for determining in which membership class one belongs. All membership classifications require owning just one share of stock (whether it is single, couple, family etc. membership.) A social member is not required to own a share of stock. If a social member owns a share of stock, it does not have voting rights. Any golfing member or social member that is not required to purchase a share of stock may purchase a share(s) if they choose. All shareholders must supply CCC with bank account or credit card information for future payments to the Club.

## **SECTION 2: SHARE INFORMATION**

There are 757 shares outstanding (per the original stock plan). These shares can be held by golfing members, social members or original stock plan business contributors or the Club. Share price will be determined by the Club. Each share represents equity interest in the Club.

To sell/redeem/transfer a share of stock the shareholder must be an active member of the Club, meaning either a golfing or a social member with one exception: If you are no longer a golfing or social member, for any reason, you have one year from the time of resignation to sell/transfer your shares or they will be forfeited back to the Club.

All transactions must be reported to the Club to be recognized as official transactions and must be approved by the CCC Board of Directors. Original stock plan business contributors can sell/transfer shares of stock with CCC Board approval.

### **SECTION 3: VOTABLE ITEMS**

Regardless of the number of shares owned, each shareholder will be entitled to one vote on Club matters with the following exceptions in which case each shareholder will receive one vote per share up to a maximum of 10 votes (see addendum at bottom of this section):

#### **(a) *Large Capital Expenditures:***

- (i) Any capital expenditure of at least \$100,000 paid from cash reserves. At least 50% of the votable shares outstanding must vote for this to be valid and at least 75% of the shares voting must approve this expenditure. Capital expenditure is defined as total cost of expenditure (for equipment this would include all attachments, accessories and excludes and trade value consideration).

#### **(b) *Any cumulative debt commitment of \$100,000 or more:***

- (i) "Debt commitment" will be defined so as to exclude leases not counted as debt on our financial statements, such as those for our golf cart fleet. The intent is that the Club cannot assume less than \$100,000 of debt many different times, thereby resulting in a total debt of more than \$100,000 without membership approval. At least 50% of the votable shares outstanding must vote for this to be valid and at least 75% of the shares voting must approve this expenditure.

#### **(c) *A vote to increase the number of shares authorized:***

- (i) At least 50% of the votable shares outstanding must vote for this to be valid and at least 75% of the shares must approve this authorization.

#### **(d) *A vote to change this document:***

- (i) At least 50% of the votable shares outstanding must vote for this to be valid and at least 75% of the shares must approve any changes to this document.

#### **(e) *A vote on the sale, liquidation and/or closing of the Club:***

- (i) Each owner of a share must be notified of a meeting regarding the sale, liquidation, and/or closing of the Club at least twenty days in advance.
- (ii) At least 75% of the votable shares outstanding must vote for this to be valid, and at least 90% of the shares voting must approve the sale, liquidation, and/or closing of the Club.

### **SECTION 4: VOTING CLARIFICATIONS**

Original stock plan non-active business member contributors do not have voting rights. Voting will be conducted electronically. If a member is unable to vote electronically they can contact CCC for a manual voting option.

Outstanding voting shares will be defined as all voting shares not owned by the Club. Shares not counted in outstanding voting shares include:

- (a)** Shares owned by non-active members in 1 year probation/waiting period to sell, transfer or forfeit shares
- (b)** Shares owned by original stock plan business who are not active members
- (c)** Members who are social members
- (d)** Shares owed by active members above the 10-vote maximum

**SECTION 5: ADDENDUM (10 vote per shareholder exception)**

As long as they are an active member, any original stock plan share owner who purchased more than 10 shares will keep full voting rights on Club matters until the original shares are sold/redeemed/transferred at which time the 10-share voting rule will be in effect.

**SECTION 4: STOCK TREASURER**

The finance committee will nominate a Treasurer to maintain the Club's stock registry and handle all transactions relating to CCC shares. The Treasurer must be approved by the CCC Board of Directors.

## **ARTICLE VIII. LIMITATION OF MEMBERSHIPS**

**SECTION 1: MEMBERSHIP LIMITATIONS**

All golfing memberships classifications shall be counted and may not exceed 400 total memberships. Each membership regardless of the amount of individuals included on it counts as "one" toward the cap. 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 IX. MISCELLANEOUS**

**SECTION 1: FISCAL YEAR**

The fiscal year shall commence on November 1<sup>st</sup> 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 by-laws 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 by-laws.

**SECTION 10: BAR/DINING**

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

## **ARTICLE X. 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 by-laws. 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.

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**SIGNATURE**

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**DATED**