

**BYLAWS
OF
MOREHEAD CITY COUNTRY CLUB, INC.**

**ARTICLE I
GENERAL**

SECTION 1. **NAME.** The name of the corporation shall be Morehead City Country Club, Inc. (hereinafter “the Club”).

SECTION 2. **LOCATION.** The principal office of the corporation shall be located in Morehead City, in the state of North Carolina.

SECTION 3. **SEAL.** The seal or stamp of the corporation shall be circular in form and bear the words and date as follows: “MOREHEAD CITY COUNTRY CLUB, INC., STATE OF NORTH CAROLINA, 1949” or such similar likeness as will permit ease of identification and uniqueness of style, as may be adopted by the Board of Directors.

SECTION 4. **PURPOSE.** MOREHEAD CITY COUNTRY CLUB, INC. is organized as a non-profit corporation under the laws of North Carolina for the purpose of creating a friendly social environment in which the pursuit of golf, swimming, tennis and other kindred sports may be carried on so that the mental and physical well being of its members and guests may be encouraged and promoted. In order to carry out the purpose, the corporation shall have full power to purchase, lease and otherwise acquire real and personal property and have full power and authority to acquire and operate such facilities and employ such trained personnel as may be necessary for the benefit of the members and their guests.

Nothing herein shall prevent the Club from filing such tax returns and electing to be taxed as a “for profit” entity from time to time, if such election is beneficial and permitted by law.

ARTICLE II OFFICERS

SECTION 1. **OFFICERS.** There shall be a Board of Directors consisting of nine members. The officers of the Club shall be a President, Vice-President, Treasurer and a Secretary. The Treasurer and Secretary, if elected outside of the directorship shall be non-voting members of the Board of Directors ex-officio. All officers except the Board of Directors shall hold office for one year and until their successors are elected. Any officers or Directors, however, may be removed by the Board of Directors for cause shown. Vacancies in any office may be filled by the Board of Directors for the unexpired portion of the term of office. All officers shall be residents of North Carolina, and stock holding, dues paying members of the Morehead City Country Club, Inc.

SECTION 2. **ELECTION.** The Board of Directors shall be elected by ballot of eligible shareholders at the annual meeting of the members of the Club. The President, Vice-President, Treasurer and Secretary shall be elected by ballot by the Board of Directors from amongst their membership at the first meeting of the Board held following the annual meeting of members.

SECTION 3. **BOARD MEMBERS.** There shall be elected annually three new members to the Board of Directors who shall be dues paying, preferred stockholding members in good standing and shall serve a term of three (3) years. Eligibility for service on the Board of Directors requires a nominee to be a dues paying, preferred stockholding member of the Club in good standing for a minimum of three (3) consecutive years immediately preceding their election. At all times, at least five (5) members of the Board of Directors shall be full-time residents of Carteret County. Members of the Board of Directors may, if elected by membership, serve two (2) full consecutive terms on the Board, after which they will not be eligible for re-election until one full year has expired. All members of the Board of Directors shall at all times be dues paying members of the MOREHEAD CITY COUNTRY CLUB, INC. in good standing and who are the registered owners of one or more shares of preferred stock of said club.

ARTICLE III DUTIES AND POWERS OF THE OFFICERS

SECTION 1. **PRESIDENT.** The President shall preside at all meetings of the members and all meetings of the Board of Directors; appoint, with approval of the Board of Directors, all committees and may be a member ex-officio of all committees. The President may be one of the officers authorized to sign papers in the name of the

corporation or countersign checks or drafts of the corporation. The President shall see that corporate responsibilities are adequately provided for, and shall have such powers as may be reasonably construed as belonging to the chief executive of the organization, including the power to delegate such powers.

SECTION 2. **VICE PRESIDENT.** The Vice-President shall exercise the duties of the office of President in the absence or disability of the President.

SECTION 3. **SECRETARY.** The Secretary shall attend all meetings of members and of the Board of Directors and keep the minutes of such meetings, including a detailed record of all votes and business transactions, in a book to be kept for that purpose. The Secretary shall have custody of the minute book at all times. A copy of all minutes shall be maintained in the office of the Club for the purpose of being open to inspection by any member of the Board of Directors or by members upon proper request to the Secretary.

The Secretary shall conduct the correspondence of the corporation and shall give notice of all meetings of the members and of the Board of Directors.

The Board of Directors may delegate specific duties of the Secretary to an employee of the organization subject to the direct supervision of the Secretary.

The Secretary shall perform such other duties as the Board of Directors may prescribe or as may be imposed by law.

In case of absence or disability of the Secretary, the Board of Directors shall appoint a temporary Secretary who is a member of the Board of Directors.

SECTION 4. **TREASURER.** The Treasurer shall have general charge of the financial affairs of the Club subject to the supervision and control of the Board of Directors with authority in the name and on behalf of the Club: to collect all fees, dues and other accounts due to the Club; to pay all bills as may be directed by the Board of Directors; to borrow money upon the vote of the Board of Directors, and to execute and deliver the Club's notes or other evidence of indebtedness therefore. The Treasurer shall keep regular books of accounts for the Club, such books to be open for inspection by members of the Board whenever and at such regular intervals as the Board of Directors may specify. The Treasurer shall be required to give bond for the faithful performance of the duties of this office, the form and amount of this bond to be approved by the Board of Directors. The Treasurer shall also require adequate bonding of employees who may be directly involved in the management of club business and assets, such as General Manager, Officer Manager. Annually, upon the close of the Club's fiscal year, and prior to the annual members' meeting, the Treasurer may be required to have all books of account and other financial records examined by a Certified Public Accountant and shall have the CPA's report delivered to the Board of Directors. The Treasurer shall have custody of all financial records and documents and the seal of the Club. The Treasurer shall have such

powers as may be reasonably construed as belonging to the chief financial officer of the organization, including the power to delegate such powers.

In case of absence or disability of the Treasurer, the Board of Directors may appoint a temporary Treasurer.

SECTION 5. **BOARD OF DIRECTORS**. The Board of Directors shall control and manage all affairs, property and expenditures of the Club and may exercise all the powers of the Club, except such as are expressly reserved to the preferred shareholders pursuant to the law, the agreement of the association, or according to these Bylaws except for those matters which require consent of the membership of the Club. They shall prescribe the rates and condition of miscellaneous income such as green fees, dues, initiation fees and all other rates of revenue.

The Board of Directors shall adopt such “Club Regulations” as are necessary in order to provide the orderly use of the Club facilities and as are necessary to accomplish the goals and purposes of the corporation. The Board of Directors is authorized to print such “Club Regulations”, copies of which will be made available to the members.

The Board of Directors may organize itself into various committees or otherwise to properly administer the Club business.

ARTICLE IV MEETINGS OF THE BOARD OF DIRECTORS

SECTION 1. **MEETINGS**. The Board of Directors shall hold regular meetings monthly and such other meetings as may be necessary. Meetings of the Board of Directors are customarily held at the Club, but may be held at such other places within Carteret County as directed by the Board. At the request of any two members in writing, the President will be required to call a special meeting of the Board of Directors. Other special meetings of the Board may be called by the President at his discretion.

SECTION 2. **NOTICES**. Written notices of all regular meetings of the Board of Directors shall be mailed or otherwise delivered by the Secretary to each member of the Board so as to arrive at least two (2) days prior to the date of the meeting. Special meetings called by the President shall require such notice as may be practical.

SECTION 3. **QUORUM**. Five (5) members of the Board of Directors shall be necessary at any meeting for a quorum for the transaction of business, but less than a quorum may vote to adjourn.

SECTION 4. **ATTENDANCE**. A director who is absent, without excuse, for more than three (3) regularly scheduled meetings during any calendar year, may be automatically terminated as a member of the Board, and the remaining portion of their term as a director shall be filled by appointment made by the remainder of their Board members.

SECTION 5. **VOTING**. All ballots and voting of the Board of Directors shall require a simple majority of those present and voting to pass, unless specifically provided otherwise in these By-Laws.

ARTICLE V MEETINGS OF THE PREFERRED SHAREHOLDERS AND MEMBERS

SECTION 1. **ANNUAL MEETING OF MEMBERS**. The annual meeting of members shall be held in November at the direction of the Board of Directors at the Morehead City Country Club. If the annual meeting is not held as herein provided, the President shall order a special meeting of the members to be called, to be held in lieu of and for the purpose of the annual meeting.

At the annual meeting, the order of business shall be:

1. Reading of the minutes.
2. Report of officers and/or committees.
3. Election of directors. The election of such directors shall be by simple majority vote with the top three vote getters being elected.
4. Any further business.

SECTION 2. **SPECIAL MEETING OF THE MEMBERSHIP**. Special meetings of the members shall be called by the Secretary if ordered to do so by the Board of Directors or upon written request of thirty-five percent (35%) of the members entitled to vote at any membership meeting.

SECTION 3. **NOTICE OF MEMBERS' MEETINGS**. Written notice of all meetings of the members shall be mailed by the Secretary to all members at least ten (10) days prior to the date of the meeting. Such notices shall be addressed and mailed postpaid to members at their respective addresses as recorded upon the books of the Club, and state the purposes of the meeting.

SECTION 4. **QUORUM FOR MEMBERS' MEETING**. Three percent (3%) of the qualified members represented in person shall constitute a quorum at any meeting of

the members. If there is less than a quorum at a meeting, those present shall set, by majority vote, an adjourned meeting date at least fifteen (15) days and not more than ninety (90) days subsequent to the original meeting. Written notice shall then be mailed to all members at least seven (7) days prior to the adjourned meeting day advising them that this adjourned meeting is empowered to act by majority vote with or without a quorum present; however, said provision shall not apply with regard to the requirements of Section 6 below.

SECTION 5. **VOTING**. Each dues paying, stock holding member shall have one vote, to be exercised by the member in person; provided, however, that voting for election to the Board of Directors may be conducted by absentee ballot in a manner and form approved by the Board of Directors. The vote of a majority of the members represented in person or by absentee ballot in the matter of election of Directors only, at any meeting of the members is required for action at such meeting.

SECTION 6. **SALES ACTION**. In order for the corporation to sell more than fifty percent (50%) in value of the principal assets of the corporation, it shall be necessary for such sales to be approved by a two-thirds (2/3) majority vote of the preferred shareholders in person.

ARTICLE VI CAPITAL STOCK

SECTION 1. **CERTIFICATES**. Certificates for stock shall be in such form as may be determined by the Board of Directors except insofar as that is prescribed by law. Shares shall be fully paid and non-assessable.

SECTION 2. **SHARES**.

- A. Common stock, to be held by each member of the Board of Directors, one share, as voting stock, during the Director's term of office only.
- B. Preferred Stock (Class "A"), \$100.00 par value, for sale to members and others as approved by the Board of Directors.
- C. Class "C" Preferred Stock, \$100.00 par value, non-participating, non-voting for sale to members and others as approved by the Board of Directors.

- D. The Board reserves the right to constitute and sell such other classes of stock as may be deemed appropriate in accordance with the then existing laws of the State of North Carolina.

SECTION 3. **TRANSFERS.** Shares of preferred stock of the Club may be transferred only with the consent of the Board of Directors. Any member who shall desire to sell his share, the Executor or Administrator of any deceased member or the Assignee of any shares sold at execution shall, before selling the same, file a statement in writing with the Secretary of the Club giving the name of the proposed purchaser and the events occasioning such requested transfer. The Board of Directors shall act upon the matter within sixty (60) days of the filing of such statement with the Secretary. If the Board votes to permit the proposed sale, the member may then sell or otherwise transfer his share to the purchaser named.

ARTICLE VII MEMBERSHIP, ENTRANCE FEES AND DUES

SECTION 1. **CLASSES.**

- A. Stockholding Members. All owners of one or more shares of preferred, non-voting capital stock shall be members upon application for membership, upon approval by the Board of Directors and payment of such initiation fee and dues required by the Board of Directors.
- B. Resident. Resident Memberships are available to those who make their primary residence within a radius of fifty (50) miles of the Morehead City Country Club.
- C. Non-Resident. Non-resident membership are available to those who make their primary residence outside of a fifty (50) mile radius of Morehead City Country Club and who are a current member in good standing of another Country Club in the county of their residence. Initiation fee is the same as for regular memberships. Applicants shall become a member upon approval of the Board of Directors. Annual dues shall be in such amount as may be set by the Board of Directors.
- D. Senior Resident. Senior resident memberships are available to those resident members who are at least seventy (70) years of age and have been a member for at least 10 years. Annual dues shall be in such amount as may be set by the Board of Directors. Senior resident members shall become a

member in this classification by request of the member and approval by the Board of Directors.

E. Senior Extended Resident. Senior Extended Resident memberships are available to those residents over the age of seventy (70) with twenty-five (25) years of consecutive membership. Annual dues shall be in such amount as may be set by the Board of Directors. Senior Extended members shall become a member in this classification by request of the member and approval by the Board of Directors.

F. Widow Membership. A widow whose family has held membership for twenty (20) years and is over seventy (70) years of age may elect this membership classification and become a non-voting member. Except for voting, this membership classification shall have full club privileges. Annual dues shall be in such amount as may be set by the Board of Directors.

G. Ministerial/Military Members. Ministers of churches or military personnel on active duty in Carteret County may become members by paying one-half (1/2) of the current initiation fee. Stock purchase is not required by this class of membership, consequently, such members may not vote at annual or special meetings, nor serve on the Board of Directors. Normal dues of Resident Membership will apply.

H. Honorary Members. Honorary memberships may be bestowed by special designation of the Board of Directors, upon such terms and conditions as provided by said Board.

I. Changes in Classification of Membership. A member who currently has a classification of non-resident must change to a resident membership immediately upon relocation of their primary residence to within a fifty (50) mile radius of the Morehead City Country Club and pay current resident dues.

SECTION 2. **FAMILY MEMBERSHIPS.** All memberships are family memberships.

SECTION 3. **CORPORATE MEMBERSHIPS.** Corporate memberships shall be available to resident or non-resident members. Initiation fees shall be those amounts as established by the Board of Directors. The corporate membership shall be entitled one vote per corporate membership. The individual corporate member shall pay annual dues in accordance with their membership status, resident or non-resident. The individual membership cannot be transferred from corporate membership to individual membership without such member complying with Article VII of the Bylaws and making application

and paying initial fees to the Club. Other rules shall be such as set by the Board of Directors from time to time.

SECTION 4. **LIMITATION**. Only members, their spouses and all unmarried children under twenty-one (21) years of age or while full-time college students if over twenty-one (21) years of age, are extended all privileges of the Club. Unmarried members may invite their companions (whether in county or out of county) to use the facilities of the Club while accompanied by the member; provided, however that it shall be the responsibility of the unmarried member to pay any charges incurred for the facilities used by their companions.

SECTION 5. **CHILDREN**. A son or daughter of an active member who has been a member in good standing for at least five (5) years, may join the Club upon approval of the Board of Directors upon the payment for, or ownership of, one share of preferred non-voting stock and one (1) quarters dues in advance. Normal initiation fee is waived. This privilege shall be extended to each eligible child once only.

SECTION 6. **DIVORCE**. In the event of separation or divorce in a family holding a membership in the Club, the spouse who does not own a share of the Club's preferred non-voting stock may be admitted to membership upon the purchase of one (1) share of such preferred non-voting stock and approval by the Board of Directors. Thereafter, each spouse shall have separate memberships. In order to be eligible for such membership, the applicant must submit his/her completed application for admission no later than six (6) months after the date of such spouse's decree of final divorce, including evidence of stock ownership.

SECTION 7. **DEATH OF MEMBER**. In the event of death of a shareholding member, all stock, privileges, and voting rights revert to the surviving spouse only.

SECTION 8. **ANNUAL DUES**. Annual dues shall be established by the Board of Directors.

SECTION 9. **INITIATION FEE**. The Board of Directors shall establish the amount of the initiation fee for membership.

SECTION 10. **OTHER FEES**. The Board of Directors shall, at their discretion, establish other user fees, rules and regulations, and policies as they deem necessary and appropriate in the administration of the Club.

SECTION 11. **MEMBERSHIP ASSESSMENT**. The Board of Directors may, as they deem necessary, charge assessments to the membership during the Club's fiscal year.

ARTICLE VIII INDEBTEDNESS TO THE CLUB

SECTION 1. **INDEBTEDNESS**. Dues are payable annually in advance, quarterly in advance, or monthly in advance. Any member whose dues are not paid within thirty (30) days from the due date shall have his name posted in accordance with Club procedures and all club privileges may be suspended. Members so posted shall pay a reinstatement fee as established by the Board of Directors. After being posted for thirty (30) days or more, the member shall be given written notice mail, that if dues and reinstatement fees are not paid within ten (10) days following such notice, he or she will be dropped from membership rolls.

SECTION 2. **ANY OTHER INDEBTEDNESS**. Any other indebtedness due to the Club from whatever source, which indebtedness is not paid within thirty (30) days from the date such indebtedness is due, the member shall have his or her name posted in accordance with club procedures and all club privileges of that delinquent member shall be suspended immediately. Members posted pursuant to this section shall pay a reinstatement fee as established by the Board of Directors. If the member's name remains posted for thirty (30) days, the member shall be given written notice by mail that if all indebtedness and reinstatement fees are not paid within ten (10) days thereafter, he or she will be dropped from the membership roll of the Club. Thereafter, reinstatement will be the same as any other new applicant, including payment of any initiation fees.

SECTION 3. **PENALTIES AND INTEREST**. Any indebtedness not paid on a timely basis may be subject to such penalties and/or interest as the Board of Directors may prescribe.

SECTION 4. **POSTING**. Any posting as described above shall be on any Club bulletin board as provided in the Clubhouse, on such form as approved by the Board of Directors.

ARTICLE IX RESIGNATION, LEAVES OF ABSENCE AND FORFEITURE OF MEMBERSHIP

SECTION 1. **RESIGNATION**. A member of the Club may resign at any time, but no resignation shall be effective until all financial obligations to the Club are settled. When such resignation is recorded by the Secretary, the privileges and obligations in the Club of said resigning member shall cease, effective on the date of such recordation by the

Secretary. Such recordation shall not relieve any member of any financial obligations incurred prior to the date of such resignation, nor will resigning members be entitled to a refund of dues paid in advance.

SECTION 2. **APPROVAL**. Resignation of members shall be given in writing and delivered to the Secretary and presented at the next meeting of the Board of Directors for actions, and privileges and financial obligations shall cease as above provided.

SECTION 3. **LEAVE OF ABSENCE**. A member who wishes to take a leave of absence from the Club must present his written request in advance to the Board of Directors for approval. Leaves of absence may be granted in situations of personal health, family emergencies or relocation of the members permanent residence. If a member returns within twelve (12) months, to be reinstated they must pay all unpaid back dues and assessments, if any. A leave of absence will be granted for a period of no less than twelve (12) months and no longer than twenty-four (24) months.

SECTION 4. **EXTENDED LEAVES OF ABSENCE**. Leaves of absence longer than customary may be approved by the Board in cases of health problems or other hardships upon such terms and conditions as the Board of Directors in their discretion may impose. Such leaves will be considered on a case by case basis upon written application to the Board of Directors, by a member in good standing, or prior to the expiration of the leave of absence.

SECTION 5. **FORFEITURE OF MEMBERSHIP**. Any member may be expelled or suspended for a time certain, from membership for any of the following reasons:

- A. Assault or battery upon Club property.
- B. Willful damage to Club property.
- C. Indecent exposure on Club property.
- D. Unauthorized use of the Club or Club property.
- E. Theft of Club Property.
- F. Acts or behavior that would cause embarrassment to the Club or its members.
- G. Infractions of any Bylaw, house or ground rules.
- H. Any other conduct prejudicial to the best interest of the Club.
- I. Non-payment of Dues, Fees, Assessments or other charges.

Charges preferred against any member under this section shall be by any member of the Board of Directors. Such charges shall be heard only after notice in writing, setting forth the substance of the Complaint and giving the date, time and place of a hearing before the Board of Directors. Such notice shall be given at least ten (10) days prior to the date set

for said hearing. Such notice may be given by posting said notice in a post-paid sealed wrapper at the Post Office, Morehead City, North Carolina addressed to the alleged offending member at their last address on record at the Club. The time which such notice is mailed shall be deemed to be the date of the giving of such notice. The member shall appear and may defend himself or herself, or may have an attorney at the hearing. Any action of the Board in expelling or dismissing said member shall be immediately applicable, and the Board shall act by majority vote of those present and voting.

ARTICLE X CLUB PRIVILEGES AND FISCAL YEAR

SECTION 1. **GUEST**. The privileges of the Clubhouse and grounds may be extended to guests of members under such regulations prescribed by the Board of Directors.

SECTION 2. **FACILITY USE BY DIRECTORS**. Active Board of Directors may use Club facilities rent free provided the facility is being used for a function that one of their immediate family is hosting. The Director must pay the requested deposit and will be charged a clean-up fee if the facility is not satisfactorily cleaned after the function.

SECTION 3. **FISCAL YEAR**. The fiscal year of the Club shall begin on the first day of October and shall terminate on the 30th day of September.

ARTICLE XI AMENDMENTS AND RULES OF ORDER

SECTION 1. **AMENDMENTS**. The Bylaws may be amended at any time during a meeting of the Board of Directors with a two-thirds (2/3) vote of the total number of directorships.

SECTION 2. **RULES OF ORDER**. The rules contained in Roberts' Rules of Order, most current edition, shall govern the deliberations of the stockholding members and the Board of Directors and any committee thereof in all cases to which they are applicable, and in which they are not inconsistent with these bylaws.

THIS CURRENT EDITION OF THE BYLAWS OF MOREHEAD CITY COUNTRY CLUB, INC. is effective the 18th day of September, 2001. All previous Bylaws are therefore cancelled and void.

MOREHEAD CITY COUNTRY CLUB, INC.

By: _____
Secretary

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