



FOREST LAKE SPORTSMEN'S CLUB, INC. POLICY
TIMELY PAYMENT OF DUES AND ASSESSMENTS

Adopted: October 6, 2008

Effective: November 1, 2008

SECTION I. REASON FOR POLICY

The Forest Lake Sportsmen's Club, Inc. (FLSC, Inc.) is incorporated as a nonprofit organization that owns a substantial shooting facility supporting extensive shooting and educational programs. Members are required to pay annual dues (a portion of which may be worked off by participating in club work projects) as a major source of the financial support necessary to sustain our facilities and activities. In very rare and extenuating circumstances, the board may determine that special assessments are also necessary to support the club. For the club to function successfully, it is necessary that all dues and special assessments be paid when they are due. This policy exists to establish specific requirements for timely payment of dues and special assessments and to establish procedures and penalties when this is not done.

SECTION II. GUIDING PRINCIPLES

The following principles shall guide the FLSC, Inc.'s expectations regarding payment of dues and/or special assessments:

- (a) The FLSC, Inc. values an active and participatory shareholder membership.
- (b) The FLSC, Inc. has an approved long-range plan with one of its major goals being: Achieve and maintain financial stability.
- (c) Shareholder dues and participation in work projects provide the essential bases to support our facilities and club programs. Very rarely, special assessments may also be necessary.
- (d) Club programs are dependent on and require timely payment of member dues and special assessments.

SECTION III. IMPLEMENTATION.

The FLSC, Inc. requires timely payment of dues and special assessments. The following guidelines will apply:

1. Because a portion of dues for a particular calendar year may be worked off by shareholders, dues accounts are settled early in the succeeding calendar year after work projects are completed. Members will be notified of the work credit they have earned, if any, and the amount of dues outstanding before the club's annual meeting that is normally held in February.
2. Any special assessments will be made with an announced deadline for payment. There will be at least 60 days after the special assessment is announced before payment is due.
3. Annual dues are expected to be paid by the time of the annual meeting. Payments may be made at the annual meeting. Members who are thus in good standing are encouraged to participate in the annual meeting and vote on club business.

4. Members who have not settled their dues (and any special assessments that are due) prior to or at the annual meeting are not in good standing, may not attend the annual meeting, will not receive membership cards or gate combinations, and may not use club facilities.
5. Thirty days after the due date for annual dues or any special assessment, shareholders will be sent a second statement by regular mail, again asking them to settle their club account. Shareholders who have not settled 60 days after receiving this second statement will then be sent a certified letter. This letter will present what our records show is due, and ask members to settle their account or terminate the share for its remaining value within 30 additional days. If there is no reply to the certified letter within 30 days, the share becomes the property of FLSC, Inc. An example of such a letter that might be used for the annual dues is shown as Appendix I.
6. Information on exemption requirements from the Internal Revenue Service website states that in order to be tax-exempt under section 501(c)(3) of the Internal Revenue Code, no part of earnings “may inure to any private shareholder or individual.” Thus, the legal value of a share is the price originally paid by the shareholder, regardless of the price of shares currently being sold to new members.
7. The remaining value of the terminated share is the original price (the legal value) of this particular share less dues and/or special assessments owed, and less the expense of the certified mailing and any related recovery expenses. If the calculated remaining value is negative, the assigned value will be zero.
8. When a share is terminated for its remaining value, the shareholder will be paid when the share is sold to a new member through the club’s recruitment efforts.
9. In carrying out this policy, it is important to note that our bylaws provide that no transfer of shares shall be made unless the certificate representing such share is surrendered to FLSC, Inc. Shareholders may not sell their shares directly to another person. New members must apply to and be approved by the board. Upon approval, they will receive a new share certificate signed by board officers.

APPENDIX I.

EXAMPLE LETTER TO MEMBERS WHO HAVE NOT PAID THEIR DUES WITHIN 60 DAYS OF BEING SENT A SECOND NOTICE:

Dear _____,

Our records indicate that you are inactive as a shareholder in Forest Lake Sportsmen's Club by not having paid your annual dues. Your outstanding balance takes into account any participation in club work projects. This amount was due at the time of our club's annual meeting held on _____. We value an active shareholder membership and hope you will participate in the club's many activities in the near future.

The club's by-laws and policies require that shareholders remain in good standing by timely payment of all dues and/or special assessments.

Our records indicate that you have an outstanding balance due to the club of \$_____

In an effort to maintain an active membership, the Board of Directors has established a policy that requires a Shareholder to keep current on their annual dues. When a member is delinquent, his or her membership is jeopardized. Payments were due 90 days ago. This letter is being sent to notify you that your membership will be terminated if your account is not settled in the full amount within 30 days of receiving this letter.

We sincerely hope you will pay your balance, remain an active member, and that we will continue to enjoy your participation in club events with us. If, however, your interest in the club has changed, or your schedule will not permit an active participation, we need to know. Please notify _____, Administrative Assistant to the Board of Directors, of your intentions by returning the enclosed attachment today. We look forward to your immediate response.

Sincerely,

FOREST LAKE SPORTSMENS CLUB, INC.

President

Enclosure

**Please mail this to: Forest Lake Sportsmens Club
4648 – 240th Street North
Forest Lake, MN 55025**

In accordance with your request, please note the option I have selected concerning my membership in Forest Lake Sportsmen's Club.

_____ I wish to pay my balance at this time and I am enclosing a check for the full amount.

_____ I wish to terminate my membership and redeem my Share for any remaining value.
Enclosed is the original certificate and I signed it on the back.

_____ Comments: _____

IF THERE IS NO REPLY WITHIN 30 DAYS, THE SHARE WILL BECOME THE PROPERTY OF FOREST LAKE SPORTSMENS CLUB.

Date _____

Name: _____ Share: # _____

Address: _____

City: _____ State: _____ Zip Code: _____

Phone: _____