

Bylaws
Of
Hub's Yacht Club and Marina Cooperative Association
Effective October 16, 2020

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**BYLAWS
OF
HUB'S YACHT CLUB And MARINA COOPERATIVE ASSOCIATION**

ARTICLE I: Name and Location

Section 1. Name and Principal Office. The name of this Corporation shall be Hub's Yacht Club and Marina Cooperative Association. Its principal office shall be located in Hastings, Minnesota.

ARTICLE II: Purpose

Section 1. Purpose. The Purpose of this Corporation is to provide its Members with recreational facilities on a nonprofit basis, as more particularly set forth in its Articles of Incorporation.

ARTICLE III: Definitions

As used herein, unless the context otherwise requires, the following terms shall have the following meanings:

Section 1. "Association" and "Corporation" shall mean Hub's Yacht Club and Marina Cooperative Association, a Minnesota corporation organized under the provisions of Chapter 308A, Minnesota Statutes, its successors and assigns.

Section 2. "Boat Slip" or "Unit" shall mean the specific boat slip leased to the respective Member under the terms of his or her Member Lease. A Boat Slip is an area in the water depicted on a plan or diagram annexed to the Declaration and each Member Lease, which is bounded by but does not include adjacent docks, finger piers, dolphin piles, or appurtenances. The area comprising a Boat Slip shall be subject to alteration due to expectable encroachment, subsidence or settlement from surrounding structures (other than due to casualty or other catastrophe), and shall include any replacement after damage or destruction.

Section 3. "Marina" shall mean all real property (including appurtenant riparian rights), personal property, equipment and fixtures now or hereafter owned or leased by the Association—Real Estate as defined in the Declaration.

Section 4. "Member" shall mean any natural person, corporation, partnership or other entity holding a Membership in the Association.

Section 5. "Membership" shall mean the ownership interest in the Association by a Member, which shall entitle the Member to a Member Lease of a Boat Slip and other appurtenances as well as other rights appurtenant to such Membership as set forth herein or in the Articles of Incorporation of the Corporation.

Section 6. "Member Interest" shall mean the ownership interest appurtenant to each Member Lease as initially established by the Association, or as amended from time to time in accordance with these Bylaws.

Section 7. "Lease" or "Member Lease" shall mean the Hub's Yacht Club and Marina Association Membership Lease and License for Boat Slip agreement between the Member and the Association describing the terms and conditions under which the Member may occupy/use a specified Unit and the Cooperative Real Estate.

Section 8. "Membership Lender" shall mean the holder of a Security Interest.

Section 9. "Person" shall mean any natural person, corporation, partnership or other legal entity.

Section 10. "Security Interest" shall mean the lien on and security interest in a Membership and/or Member Lease as security for a loan financing the purchase of a Membership in the Association.

Section 11. "Seller" or "Declarant" means Hub's Landing & Marina, LLC.

Section 12. "Unsold Membership" means the Membership(s) and their appurtenant Member Lease(s) for Boat Slip(s) that are owned by Seller/Declarant with special rights as defined herein and the Articles of Incorporation.

Section 13. "Marina Manager" means the person who is under employment contract with the Association to oversee and implement the daily operations of the Marina.

ARTICLE IV: Membership

Section 1. Eligibility. Subject to the provisions of these Bylaws, any Person shall be eligible for Membership in the Association. A Person may not own and hold more than two Memberships in the Association, with the exception of Seller/Declarant.

Section 2. Membership Register. The Association shall keep at its registered office, or at such other place or places as the Board of Directors may determine, a membership register, giving the names and addresses of the Members, the number of Memberships held by each person, and the dates on which certificates for membership were issued.

Section 3. Member Lease and License to Boat Slip. Ownership of a Membership in the Association shall entitle the Member to a Member Lease and License to Boat Slip which provides for: (i) the lease of a designated Boat Slip; (ii) the right and license to park automobiles on a first-come first-served, or other basis as determined by the Board of Directors, and in areas designated by the Board of Directors; and (iii) winter storage for the boat used in the designated Boat Slip.

Section 4. Membership Certificates. Each membership certificate shall state that the Association is organized under the laws of the State of Minnesota, the name of the registered holder of the Membership represented thereby, the lien rights of the Association, as set forth in

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Article XI, Section 1 hereof, any preferences or restrictions applicable thereto, and shall be in such form as shall be approved by the Board of Directors. Membership certificates shall be consecutively numbered, bound in one or more books, and shall be issued therefrom upon certification as to full payment. Every membership certificate shall be signed by the President or Vice President of the Association and the Secretary or Treasurer of the Association.

Section 5. Lost Certificate. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates previously issued by the Association and alleged to have been destroyed or lost, upon the taking of an affidavit of that fact by the person claiming the Membership certificate to be lost or destroyed. When authorizing the issuance of a new certificate or certificates, the Board of Directors may, in its discretion, and as a condition precedent to the issuance thereof, require the registered owner of such lost or destroyed certificate or certificates, or his or her legal representative, to advertise the same in such manner as the Board of Directors shall require and to give the Association a bond in such sum as the Board of Directors may require as indemnity against any claim that may be made against the Association

Section 6. Termination of Membership. The Membership of any Member of the Association shall terminate without further act at such time as (i) such Membership shall be sold, assigned or transferred as herein provided; or (ii) the interest of the Member as lessee under the Member Lease appurtenant to such Membership terminates, whether by reason of the exercise of any remedy thereunder by the Association, by expiration of the term of the Member Lease, or by reason of any permitted sale, assignment, transfer or other disposition thereof or otherwise. Upon the termination of such Membership, the Member shall surrender such membership certificate to the Association, upon demand of the Association but the failure of such Member to so surrender such certificate shall not affect the validity of any certificate issued in replacement thereof.

Section 7. Sale, Transfer, Assignment or Other Disposition of Membership; Sublease. Except as otherwise specifically provided in these Bylaws, Declaration, the Articles of Incorporation or the Member Lease, any Disposition of a Membership (and its appurtenant Member Lease) shall be approved by the Board of Directors in the manner described herein. As used in these Bylaws, "Disposition" shall mean any proposed disposition of any Membership or interest therein in any voluntary or involuntary manner whatsoever, including, without limitation, disposition by will, gift, sale, delivery, assignment, exchange, distribution by personal representative or trustee, or passage or distribution under judicial order or by legal process, except (i) a transaction involving the creation or foreclosure of a Security Interest; (ii) succession to an interest by will or intestate distribution to a member of a deceased Member's immediate family; and (iii) the *inter vivos* gift of a Membership and Member Lease by a Member to a person of such Member's immediate family. As used herein, "immediate family" means a parent, spouse, child, brother or sister.

The Member proposing such Disposition shall notify the Association in writing, including such notice to set forth the terms of such Disposition and the time within which the Disposition shall be consummated, whereupon the Board of Directors shall approve or disapprove the same within thirty (30) days from the first day of the calendar month next following the month in which such notice is given. The sole criteria for Membership in the Association shall be (i) the financial

ability of any prospective Member to make the payments under his or her Member Lease and otherwise incident to ownership of a Membership in the Association; and (ii) the willingness of such prospective Member to abide by the terms of these Bylaws, the terms of the Member Lease, the house rules of the Association, and all other rules and regulations of the Association. The Board of Directors may, as a precondition of its approval of any Disposition of a Membership, require information as to the creditworthiness of any proposed purchaser, assignee, transferee, mortgagee or pledgee (with the exception of an institutional lender). In addition, the Board of Directors may condition its approval of any Disposition on the payment of lease payments or other charges due to the Association from such Member. If the Association shall not respond within the time period herein set forth, such approval shall be deemed to have been given. Upon written request, the Association shall confirm in writing to a prospective Member or to any person proposing a Disposition hereunder that such Disposition has been approved or disapproved or that the time therefore has lapsed, or after lapse of any right of first refusal pursuant to Section 8 of this Article IV, that such right of first refusal has lapsed, and any such written certification by the Association may be relied upon by any proposed purchaser, assignee, transferee, mortgagee or pledgee.

Any sublease of a Boat Slip for a period of not more than one (1) year (including options to renew) shall be exempt from the rights of first refusal described in Section 8 hereof, provided, however, that any such sublease shall require Board of Directors' approval described in this Section 7, and provided, further, that any subsequent sublease to the same sublessee or to any affiliated or family member of such sublessee, shall be subject to the term of Sections 8 hereof.

Section 8. Right of First Refusal of Association. In the event the Association shall receive notice of a proposed Disposition of a Membership or the proposed sublease of a Member's Slip (other than a sublease for one year or less, as described in Section 7 of this Article IV) the Association shall, for a period of thirty (30) days commencing on the first day of the first calendar month next following the date such notice is given (the "Notice Period"), have a right of first refusal to purchase such Membership and appurtenant Member Lease (or sublease the Boat Slip, as the case may be) upon the terms and conditions of any bona fide Offer made to or by a Member. The right of first refusal shall be exercised by the Association by giving notice in writing within the Notice Period; provided, however, that if the Member proposes to sell or lease the boat moored at his or her Boat Slip along with the Member's Membership and Member Lease, then the Association may not acquire the Membership pursuant to this Section 8 unless it also purchases or leases the boat at the price and on the terms upon which the boat would have been sold or leased to a third party. In the event such notice of exercise by the Association of the right of first refusal herein granted is not given within the time period above provided, such right of first refusal shall be deemed to have been waived, but in the event the transaction which is the subject of the offer to or by the Member is not consummated, within the time and upon the terms set forth in the offer furnished by such Member to the Association, then the right of first refusal herein described shall once again revive with respect to such Membership and its appurtenant Member Lease.

Section 9. Rights of Membership Lenders. A Membership Lender shall, with respect to the creation of a Security Interest, be exempt from the requirement of approval of such transaction by the Board of Directors, as provided in Section 7 hereof, and from the rights of first refusal set

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forth in Section 8 hereof. In addition, the Board of Directors of the Association shall be authorized to enter into an agreement to furnish such Membership Lender, if it shall so request, a copy of any notice of default which the Association, as Lessor under Member Lease, shall give to the lessee thereunder, and to further agree that if the lessee shall fail to cure the default specified in such notice within the time and in the manner provided in the Member Lease, then the Membership Lender shall have an additional period of time, equal to the time originally given to the lessee, to cure said default for the account of the lessee or cause the same to be cured, and the Lessor shall not act upon such default unless and until the time in which the Membership Lender may cure such default or cause the same to be cured, as aforesaid, shall have elapsed, and the default shall not have been cured. In the event the Membership Lender shall, through foreclosure or conveyance or proceedings in lieu of foreclosure of its Security Interest, become the owner of the Membership and the lessee under the Member Lease, such acquisition of title shall likewise be exempted from the requirements of Section 7 and 8 hereof, as shall any further sale, assignment, transfer or other disposition of the Membership or Member Lease so acquired by such Membership Lender. The exercise of any right or remedy by the Association, whether hereunder, under the Member Lease or any other instrument shall likewise be exempted from the requirements of Sections 7 and 8 hereof as shall any further sale, assignment, transfer or other disposition of the Membership or Member Lease so acquired by the Association. The Membership Lender shall, upon becoming the owner of a Membership, be entitled to vote and otherwise succeed to all of the rights and obligations of the Membership; provided, however, that it shall not be liable for any sums unpaid under the Member Lease appurtenant thereto which shall have secured or become payable prior to the acquisition of title to the Membership by each Membership Lender.

Section 10. Lease Appurtenant to Membership. With the exception of an approved sublease of a Unit/Boat Slip, the Member Lease and the Membership to which the same is appurtenant, shall not be separately sold, assigned, transferred, pledged, conveyed or otherwise disposed of.

Section 11. Seller's/Declarant's Special Exception. Notwithstanding the other provisions of these Bylaws to the contrary, Seller/Declarant is allowed to retain all Unsold Memberships and all rights, including voting rights, to the appurtenant Member Leases until Seller sells same to a new Member. Seller is exempted from these Bylaws as they pertain to the Disposition of Seller's Unsold Memberships. Seller has the exclusive right to sublet (lease) the slips/Units allocated to all Unsold Memberships and to keep those payments, and to sell, transfer, or otherwise dispose of such Memberships and neither such sublease nor such sale or other disposition shall be subject to any right of first refusal in favor of the Association or other individual or entity, and such leases and/or transfers are not subject to any approval by the Board of Directors. Seller or its assign will also have, receive, and retain any fees charged for haul out, blocking, winter storage on Marina property and/or spring launch. Seller has the right to negotiate a fee charged to the Association for hauling, blocking and launching Members' boats.

ARTICLE V: Member Lease and License to Boat Slip

Section 1. Form of Lease. The Board of Directors of the Association shall adopt a form of Member Lease to be used by the Association for the leasing of a total of Boat Slips in the Marina and such other facilities of the Association as the Board of Directors may determine. Such Member Lease shall be for such terms and shall contain such restrictions and provisions as shall be not inconsistent herewith and as the Board of Directors may determine. After a Member Lease in the form adapted by the Board of Directors shall have been executed and delivered by the Association, all Member Leases subsequently executed and delivered shall be materially the same (except with respect to the rental or other charges reserved thereunder) unless varied in accordance with the terms thereof and/or in the discretion of the Board of Directors. Any flotation device installed in a Member's slip is under the sole ownership of the Member, and any cost or expenses or liability associated with installation, repair, maintenance, or removal is at the sole expense of the Member. If flotation devices removed and if such removal leaves the structure, function or appearance of the dock decking or substructure altered, marred or damaged, the Member is responsible for any costs associated with returning the slip/Unit to its original condition.

Section 2. Lost Member Leases. The Board of Directors may direct a new Member Lease to be issued in place of any Member Lease previously issued by the Association and alleged to have been destroyed or lost, upon the making of an affidavit of that fact by the person claiming the lessee's interest in such lease. When authorizing the issuance of a new Member Lease, the Board of Directors may, in its discretion, and as a condition precedent to the issuance thereof, require the Member to whom the same was issued, or the legal representative of such Member, to advertise the same in such manner as the Board of Directors shall require and to give the Association a bond in such sum as the Board of Directors may require as indemnity against any claim that may be made against the Association.

Section 3. Subleasing. Subject to the provisions of Article IV hereof, a Member may sublease the Boat Slip leased to such Member pursuant to his or her Member Lease. Any sublease shall, whether the same shall be expressed therein or not, be subject to the terms of the sub-lessor's Member Lease, these Bylaws and the house rules of the Marina, and shall not discharge the sub-lessor thereunder from liability under such Member Lease, these Bylaws and the house rules. If the sub-lessor will return for a subsequent season(s), approval by Board members is required. Members retain all rights to fees for dockage and winter storage charged to sub-lessors of slips held by the Member that are in excess of the Annual Association fee. Seller/Declarant shall be exempt from subletting limitations or restrictions.

Section 4. Private Recreational Use. In accordance with Article II of the Corporation's Articles of Incorporation, the Marina shall be operated for the private recreational use and enjoyment of the Association's Members. Slips leased to Members pursuant to their respective Member Leases shall be used by the Members to moor Member's boats which are operated by the Member solely for the Member's own Private recreational use and enjoyment. No boats shall be moored in slips at the Marina which are used for commercial purposes or otherwise operated so as to generate income unless a special use permit is obtained as set forth below. Seller has the right to moor boats and/or equipment for which the sole purpose of the boats and/or equipment is Marina maintenance or improvements.

Section 5. Special Use Permit. The Board of Directors may issue, but shall not be required to issue, special use permits to Members which would allow Members to moor boats in their designated Boat Slips/Units which are used for purposes other than the Member's own private recreational use and enjoyment. Such special use permits shall specify the conditions under which the Member may operate the boat in the waterways comprising the Marina or use the Association's facilities. The terms and conditions specified in the special use permits shall include but not be limited to: designating the number of persons which the Member may invite and/or allow on the Association's property; designating and/or limiting the number of parking spaces the Member may use; designating the hours the Member may operate his or her boat in the Marina; and requiring payment of special use fees.

Section 6. Number and Duration of Special Use Permits. The special use permit issued by the Association shall be valid for one boating season, unless a shorter term is specified by the Board of Directors. The Association may revoke the permit if the conditions set forth therein are breached. Upon expiration of the special use permit, the Association may renew it in its discretion and under terms acceptable thereto. The number of special use permits which shall be issued for any one boating season shall be determined by the Board of Directors then elected and for that boating season.

Section 7. Application for Special Use Permit. The Board of Directors shall accept applications for special use permits from Members. The process for reviewing the application shall be determined by the Board of Directors. All applications shall be considered at a special meeting of the Board of Directors. The Board of Directors shall give preference to a renewal of existing special use permits. The Board of Directors shall charge an administrative fee for issuance of a special use permit.

ARTICLE VI: Meetings of Members

Section 1. Place of Meetings. Meetings of the Membership shall be held in the principal office or place of business of the Association or at such other suitable place convenient to the Members as may be designated by the Board of Directors.

Section 2. Annual Meetings. The Annual meetings of the Association shall be held on the date specified therefore in a notice of annual meeting to be furnished to the Members by the Board of Directors no later than 90 days after the start of the Marina's fiscal year. At such meeting, there shall be elected by ballot of the Members a Board of Directors in accordance with the requirements of Section 1 of Article VII of these Bylaws, adoption of the annual budget in accordance with the requirement of Section 4 of Article XI, and any proposals brought before the Membership 45 days prior to the annual meeting. The Members may also transact such other business of the Association as may properly come before them.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the Members as directed by a resolution of the Board of Directors, or upon petition signed by members entitled to cast twenty percent (20%) of the votes of the Association having been presented to the Secretary. The Secretary shall cause a notice of such special meeting stating the date and time when, the place where, the purpose or purposes thereof and the officer or other person or persons by whom the meeting is called, to be delivered personally, or mailed to each Member in the manner required by law, or via electronic communication if acceptable to such member, not less than five (5) and no more than thirty (30) days before the meeting, excluding the day of the meeting.

Section 4. Voting Rights. At each meeting of the Members, each Member having the right to vote shall be entitled to vote in person or by proxy evidenced by an instrument in writing subscribed by such Member and filed with the Secretary of the Association at or before the meeting. Each Member shall have one (1) vote for each membership certificate registered in such Member's name on the books of the Association. If the Board of Directors shall have by resolution fixed in advance a date not exceeding sixty (60) days preceding the date of any meeting for the purpose of taking a record of Members entitled to vote at such meeting, then only Members of record on such date, in person or represented by proxy, shall be entitled to notice of and to vote at such meeting, notwithstanding transfer of such shares after such record date. The Board of Directors may close the books of this Association against transfer of Memberships during the whole or any part of the period elapsing between the record date and the date of such meeting. In the event more than one person holds a Membership, then and in such event the vote appurtenant to such Membership shall be cast as such persons, among themselves, may elect. There shall be no fractional or cumulative voting. Each Unit/Membership shall be entitled to one whole vote per Unit.

Section 5. Quorum. The presence, either in person or by proxy, of Members entitled to cast at least forty percent (40%) of the votes of the Association shall be requisite for and shall constitute a quorum for the transaction of business at all meetings of Members. If the number of Members at a meeting drops below the quorum and the question of lack of quorum is raised, no business may thereafter be transacted. A majority of the votes cast, either in person, by proxy or by mail, shall decide any question brought before such meeting, unless the question is one upon which, by express provision of statute, or of the Articles of Incorporation or of these Bylaws, a different vote is required, in which case such express provision shall control. No Members shall be eligible to vote or to be elected to the Board of Directors who is shown on the books of the Association to be more than ninety (90) days delinquent in payments due the Association under such Member's Member Lease.

Section 6. Adjourned Meeting. If any meeting of Members cannot be organized because a quorum has not attended, the Members who are present, either in person or by proxy may, except as otherwise provided by law, adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called, at which subsequent meeting the quorum requirement shall be twenty-five percent (25%).

Section 7. Order of Business. The order of business at all regularly scheduled meetings of the Members shall be as follows, unless otherwise decided by the Board of Directors, prior to any such meeting:

- (a) Roll call.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Approval of minutes of preceding meeting.
- (d) Reports of Officers.
- (e) Presentation of three-year business plan, as required under these Bylaws.
- (f) Reports of Committees.
- (g) Election of Inspectors of Election.
- (h) Vote to adopt proposed budget.
- (i) Vote to approve Board audit recommendation.
- (j) Vote to approve proposals brought before the Membership.
- (k) Election of Directors.
- (l) Appointment of Nominating Committee for ensuing year.
- (m) Unfinished business.
- (n) New business.
- (o) Results of election.
- (p) In the case of special meetings, items (a) through (d) shall be applicable and thereafter the agenda shall consist of the items specified in the notice of meeting.
- (q) Adjournment.

Section 8. Seller's Special Voting Rights. Seller shall retain one vote for each of its Unsold Memberships, and Seller shall be allowed to cast those votes at all Annual, regular, and Special Meetings either in person or by proxy.

ARTICLE VII: Directors

Section 1. Initial Board of Directors. The initial Board of Directors shall have three (3) directors, as defined in the Articles of Incorporation. The three initial directors do not have to be Members of the Association.

Section 2. First Elected Board of Directors. At the first meeting of the Members, which shall occur within 45 days of the Corporation being formed, the Members shall elect five (5) Elected Directors who shall serve with Mark Frazer and Monica Frazer, constituting a seven (7) member Board of Directors.

Section 3. Number, Qualification and Election. The Board of Directors shall consist of five (5) Elected Directors/Officers (President, Vice President, Secretary, Treasurer, Harbor Master) and the two (2) Incorporator Directors, Mark Frazer and Monica Frazer, for a total of seven (7) Directors, until such time as Seller/Declarant owns fewer than fifteen (15) Unsold Memberships. Thereafter, the Board of Directors shall consist of seven (7) Elected Directors.

All Elected Directors shall be Members of the Association. At the first meeting of the Board of Directors, each director position shall be for a term of two (2) years, with the exception of the Incorporator Directors, which shall be indefinite as stated above. Each Member seeking election to the Board of Directors shall indicate which office he or she seeks. A Member may seek election for more than one office in any election but may only hold one office at any one time, unless otherwise authorized by these Bylaws.

Section 4. Powers and Duties. The Board of Directors shall have all the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by these Bylaws directed to be exercised and done by the Members. The powers of the Board of Directors shall include but shall not be limited to:

- (a) Accepting or rejecting all applications for Membership in the Association and approving or disapproving proposed sales, transfers, assignments or other dispositions of Memberships or proposed subleases of Boat Slips, under Article IV hereof;
- (b) Adopting annual budgets and the establishment of assessments pursuant thereto, as well as the setting of such as the Board may deem reasonable to reimburse the Association for administrative costs of processing sales, transfers, exchanges or other dispositions of Memberships, or subleases of Boat Slips, pursuant to Article IV hereof;
- (c) Operating a ship store or other services as the Board may determine is appropriate for Members;
- (d) Engaging agents or employees for management of the Marina, including, without limitation, the management of the ship store under such terms as the Board may determine;
- (e) Adopting house rules or other rules and regulations relating to the use and occupancy of the Marina (including, without limitation, reasonable rules as to the size and number of boats within a Boat Slip) as may be deemed proper and which are consistent with these Bylaws and the Articles of Incorporation;
- (f) Adopting the terms of these Bylaws and of Member Leases, terminating Memberships and Member Leases for cause; imposing charges for late payment of assessments and, after notice and an opportunity to be heard, levying reasonable fines for violations of these Bylaws and house rules and other rules and regulations of the Association;
- (g) Entering into contracts, agreements, and leases for the operation of the Marina as determined by the Board of Directors;
- (h) Commencing at first Annual Meeting with seven Elected Directors, the Board of

Directors will present a 3-year business plan which will be distributed to the membership 21 days prior to the Annual Membership meeting;

- (i) Evaluate whether an independent audit of the budget and/or financial records or operations for the previous or current fiscal year should be undertaken.

Section 5. Removal of Directors. The Members, by a majority vote of those entitled to vote at an election of Directors, may, with or without cause, remove a Director or the entire Board of Directors from office. Neither a Director nor the entire Board of Directors shall be removed from office unless the notice of the annual or special meeting at which removal is to be considered states such purpose. When the Board of Directors or a member of the Board of Directors has been removed, new Directors may be elected at the same meeting. Should a Director for any reason remove themselves from office, then the remaining Directors shall appoint a replacement to serve only until the next election, at which time the membership shall elect a replacement to fill out the remaining term of the removed Director.

Section 6. Annual Meetings. The annual meeting of the Board of Directors shall be held without notice immediately following the adjournment of the annual meeting of the Members and at the same place, for the purpose of election of the Officers for the ensuing year and to transact such other business as may properly come before the meeting.

Section 7. Regular Meetings. Regular meetings of the Board of Directors shall be held at the registered office of this Association, or such other place as may be designated, at such time as shall from time to time be determined by the Board of Directors. Proposed agenda and location will be posted at the Marina office seven (7) days prior to each regular meeting.

Section 8. Special Meetings. Special meetings of the Board of Directors may be called by the President, or during any absence, by a Vice President, on twenty-four (24) hours' notice to each member of the Board of Directors either personally, by mail, telephone or electronic communication. Special meetings shall be called by the President or a Vice President in like manner and on like notice by mail, telephone or e-mail from any member of the Board of Directors.

Section 9. Meetings via Electronic Communications Equipment. Members of the Board of Directors or members of any committee designated by the Board of Directors may participate in a meeting of the Board of Directors or such committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section shall constitute presence in person at such meeting.

Section 10. Notice of Meetings. Except as otherwise provided in these Bylaws or by law, notice shall be given to each member of the Board of Directors of the time and place of each meeting of the Board of Directors, but any member of the Board of Directors may, in writing, either before or after the meeting, waive notice thereof; and without notice any member of the

Board of Directors, by his or her attendance at any meeting, shall be deemed to have waived notice thereof.

Section 11. Action Without Meeting. Any action which might be taken at a meeting of the Board of Directors or of a lawfully constituted committee thereof may be taken without a meeting if authorized by a writing or writings signed by all the members of the Board of Directors or by all the members of such committee, as the case may be, and such action shall be effective on the date on which the last signature is placed on such writing or writings, or such earlier effective date as is set forth therein.

Section 12. Quorum. At all meetings of the Board of Directors a majority of the members of the Board of Directors shall be necessary and sufficient to constitute a quorum for the transaction of business, but if less than a quorum are present, those members of the Board of Directors present may adjourn the meeting from time to time until a quorum shall be present.

Section 13. Executive Committee. The Board of Directors may, by unanimous affirmative action of the entire Board of Directors, designate three (3) or more of their members to constitute an Executive Committee, which, to the extent determined by unanimous affirmative action of the entire Board of Directors, shall have and exercise the authority of the Board of Directors, in the management of the business of this Association. Any such Executive Committee shall act only in the interval between meetings of the Board of Directors and shall be subject at all times to the control and direction of the Board of Directors.

Section 14. Compensation. No compensation shall be paid to Directors for their services as Directors. No remuneration shall be paid to a Director for services performed by him or her for the Association in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the Board of Directors before the services are undertaken.

Section 15. Other Committees. From time to time the Board of Directors may create such standing and special committees as they may see fit, and may designate the duties and powers of such committees; provided, however, that no such committee shall be given authority to amend the Articles of Incorporation or to amend the Bylaws of this Association. Each such committee created from time to time by the Board of Directors shall submit to the Board of Directors each year at the annual meeting of the Board or at such other meeting(s) as the Board of Directors may designate, a report of the actions and recommendations of such committees, for consideration and approval by the Board of Directors.

Section 16. Fidelity Bonds. The Board of Directors may require that all officers and employees of the Association handling or responsible for corporate funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association, unless posted by a professional management company or its employee, in which case, the management company may be required by the Association to pay the bond premium.

Section 17. Nominating Committee. In addition to other procedures for nominating persons for Membership on the Board of Directors, the Board, at the annual meeting, may choose

to designate a nominating committee for the ensuing year, minimally consisting of (1) one Board member at large, and at three (3) four Members each representing different docks in the Marina to recruit Members to run for open director positions for the ensuing year, along with recruitment of nominating committee members for the following year.

Section 18. Limitations. The Board of Directors is specifically prohibited from selling, disposing of or transferring ownership of any Marina real property (i.e. land or buildings) without the membership's prior approval. The sale, disposition or conveyance of any real property shall not occur without the specific affirmative vote of approval by two-thirds (2/3) of the members entitled to cast votes, who may vote either in person or by proxy; such vote must occur with due notice to the holder(s) of any mortgage on such property and as required by law.

ARTICLE VIII: Officers

Section 1. Designation and Election. The Members shall elect the Officers of this Association, which Officers shall be a President, Vice President, a Secretary, a Treasurer and Harbor Master. All Officers shall hold office at the pleasure of the Members. If any vacancy shall occur among the Officers, it shall be filled by the Board of Directors until the next Board election.

Section 2. Duties of President. The President shall be the chief executive officer and shall preside at all meetings of the Board of Directors, as well as all meetings of the Members. The President shall have general charge, supervision and control of the business and affairs of this Association subject, however, to the control of the Board of Directors.

Section 3. Duties of the Vice Presidents. Any Vice President, in order of rank, if designated by the Board of Directors, may, during the absence or disability of the President, perform the duties and exercise the powers of President.

Section 4. Duties of the Secretary. The Secretary shall attend all meetings of the Board of Directors and all meetings of the Members and record all votes and keep minutes of all proceedings. He shall give or cause to be given notice of all meetings of the Members and the Board of Directors. An Assistant Secretary shall perform the duties of the Secretary during any absence or disability. The Annual Meeting's minutes will be made available upon request to all Members within 30 days after the annual meeting.

Section 5. Duties of Treasurer. The Treasurer shall have custody of this Association's funds and securities and shall keep full and accurate account of the receipts and disbursements in books belonging to this Association and shall deposit all moneys and other valuable effects in the name and to the credit of this Association in such depositories as may be designated by the Board of Directors. An Assistant Treasurer shall perform the duties of the Treasurer during any absence or disability.

Section 6. Duties of the Harbor Master. . The Harbor Master shall oversee the securing of

lease agreements and collection of current insurance declarations for spaces leased by the Association and the sale of Season Passes. The Harbor Master will ensure that current insurance declarations from Members or their sub-lessors are on file. The Harbor Master shall lead the creation and adaptation, if any, of the comprehensive dock plan.

Section 7. Compensation. No salary or compensation shall be paid for any Officers.

Section 8. Special Powers. Any Officer may be vested by the Board of Directors with any power and charged with any duty not contrary to law or inconsistent with the Articles of Incorporation of this Corporation or these Bylaws.

ARTICLE IX: Corporate Seal

This Association shall not have a corporate seal.

ARTICLE X: Indemnification of Officers, Directors, Employees and Agents

Section 1. Indemnification. This Association shall indemnify each member of the Board of Directors, and each Officer, employee or agent of this Association, and any person serving at the request of this Association as a member of the Board of Directors, Officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by such person to the fullest extent to which Officers and members of the Board of Directors may be indemnified under the terms and conditions consistent with the Minnesota Nonprofit Corporation Act, or any amendments thereto or substitutions therefore.

Section 2. Insurance. This Association may purchase and maintain insurance on behalf of any person who may be indemnified to the extent of such person's right to indemnity under this Article.

ARTICLE XI: Assessments

Section 1. Personal Obligation for Assessments; Lien of Association. Each Member, for each Membership owned, by such Member's acceptance of such membership and execution of a Member Lease, shall be deemed to covenant and agree to pay to the Association assessments for common expenses of the Association, as determined in accordance with a budget adopted in accordance with Section 4 of this Article XI. Any such assessment shall be payable as rental under the terms of the Member Lease appurtenant to the Membership with which the assessment is levied, and all sums payable as rental under such Member Lease shall, for purposes of the remedies of the Association described herein, constitute assessments against such Membership. Assessments not paid when due shall bear interest at a rate established by the Association not to exceed the lesser of (i) the maximum rate allowed by law; or (ii) eighteen percent (18%) per annum. All such assessments, together with reasonable attorney's fees expended by the Association for the enforcement of payment thereof or enforcement of any other terms hereof or of any Member Lease, interest on unpaid assessments at the rate set forth herein, late charges, fines

levied by the Association pursuant to the terms hereof, and any other sums which may become due from a Member to the Association under these Bylaws or under any Member Lease, shall be the personal obligation of the Member and shall, in addition, be secured by a lien on such Member's Membership, which may be foreclosed in like manner as a security interest under Article 9 of the Minnesota Uniform Commercial Code. The lien of the Association shall be prior to all other liens and encumbrances, except the Security Interest of a Membership Lender. Upon request, a Member shall deliver a financing statement or continuation statement to evidence, perfect and continue the perfection of the security interest of the Association in such Membership.

Section 2. Curing of Overdue Assessments. Any Member who fails to pay its Annual Assessment within the time-frame allowed, will be provided written Notice by the Association with time to cure as allowed in the Articles, Bylaws and by law. If payment of the Member's Annual Assessment has not been made by 30 days past the due date, interest on the unpaid amount will begin to accrue. If the Member's Annual Assessment and interest fees are not paid by 60 days past the due date, a certified letter will be sent to notify the Member of the Member's overdue status. If the Member's Annual Assessment and interest fees have not been paid by 90 days after the due date, or if an agreement between the Association and Member for payment has not created, the Member will have its Membership in the Association and its Member Lease revoked and terminated; such Membership and Member Lease shall become owned by the Association with the full authority to re-sell such Membership with its Member Lease.

Section 3. Allocation of Expenses. Allocated expenses are the sum of two different types of fees: 1) fixed fees that cover expenses shared equally by all members that pay for budget items such as marina manager salary, insurance, maintenance, etc., and 2) variable fees that cover expenses for resources that area affected by boat size, such as utilities. Fixed fees are calculated as an even share spread among 80 slips. Variable fees are calculated upon the square footage of each Member's Boat Slip as identified in such Member's Member Lease. The square footage of all Boat Slips leased to Members shall be added together to determine the cumulative square footage within all Boat Slips to be assessed. This number shall then be divided into the total of variable expenses to be allocated among the Members to determine the cost per Boat Slip foot.

All of the foregoing expenses shall be payable annually and in accordance with the terms of the Member Leases and pursuant to an annual budget prepared by the Board of Directors and approved by the Membership, as herein provided.

Section 4. Adoption of Annual Budget. The Board of Directors shall, not less often than annually, adopt a budget for the operation of the Marina for the next succeeding fiscal year of the Association; such budget shall be furnished to the Members not less than 14 days prior to the annual meeting of the Members and shall be presented to the annual meeting of the Members. The budget shall be deemed adopted for such succeeding fiscal year, unless at such annual meeting (i) a majority of the Members voting in person or by proxy reject such budget; and (ii) such majority affirmatively adopts a substitute budget in lieu thereof; provided, however, that if the budget exceeds the previous year's budget by more than ten percent (10%) then a majority of the Members so voting may reject the budget without adopting a substitute, in which event the Board of Directors shall adopt a substitute budget which shall be subject to the procedure set forth in this

sentence.

Section 5. Special Assessments for Capital Improvements. In addition to the annual budget described herein, the Board of Directors may adopt, in any fiscal year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of any capital improvement in the Marina, including fixtures and personal property related thereto, provided, however, that (i) any special assessment for the improvement of finger piers or appurtenant dock spaces shall be borne solely by members whose boat slips are benefited thereby except that the costs associated with any dredging to be done as part of reconstruction shall be borne by all members, and in the proportions set forth in Section 3 of this Article XI; and (ii) any special assessment in excess of Ten Thousand (\$10,000.00) Dollars adopted hereunder for any purpose other than reconstruction or repair required by the terms of any Member Lease shall have the consent of two-thirds (2/3) the Members entitled to cast votes (or by those Members whose Boat Slips are benefitted thereby as the case may be), who are voting in person or by proxy at a meeting duly called for the purpose of ratification of such special assessment.

Section 6. Negligence of Member. The cost of any repairs or replacement to the Marina, common elements, units, or other property resulting from the acts, errors or negligence of a Member, his or her guests, invitees or approved sub-lessees, may be assessed by the Association against such Member and his or her Memberships, and shall thereupon be enforceable in the manner of an assessment hereunder.

Section 7. Successors and Assigns Bound. The assessments provided for herein shall be the personal obligation of any purchaser, assignee or transferee of a Membership, in addition to the personal obligation of the Member against whom such assessment was originally levied, and no person may avoid liability for assessments by non-use or abandonment of his or her Boat Slip. The Association shall, upon written request, furnish a certificate stating the amount of any assessments against a Membership and whether such assessments, or any part thereof, have been paid, and such certificate shall be binding upon the Association and may be relied upon by any Member or any purchaser, transferee, assignee, mortgagee or pledgee of such Member.

Section 8. Unsold Memberships Retained by Seller. The Seller shall pay all Annual Assessments to the Association for all slips associated with Seller's Unsold Memberships, including the 11 Future Units and appurtenant Member Leases as determined in these By-Laws and Member Lease for as long as they are owned by Seller.

Section 9. Limitation on Debt. The Corporation shall not incur any additional indebtedness using the real property or personal property of the Marina as collateral for any loan until the Seller has reduced its number of Unsold Memberships to fifteen (15) or fewer, unless by express written consent of the Incorporators, Monica Frazer and Mark Frazer.

ARTICLE XII: Expansion or Contraction of Marina: Furnishing of Services of Non-Members

Section 1. Addition of Boat Slips. Seller has the exclusive right to construct additional Boat Slips for a total of 80 Boat Slips in the Association. Seller shall have all rights of access, ingress, egress, over and upon any of the Marina/Corporation property or Real Estate, including the Units, in order to do so. Upon completion of such construction which shall be at Seller's sole cost and expense, Seller shall convey to Corporation all docks and associated structures and Seller shall have, own, and hold the Memberships (which shall be additional Unsold Memberships) and Member Leases for each additional slip/Future Unit, to which it shall have the exclusive right to sell and/or sublease in accordance with the provisions of these Bylaws. Seller will pay the assessments for all such additional Boat Slips for which it holds the Membership and Member Lease until such is sold.

Section 2. Further Addition of Boat Slips. The Board of Directors may, in its discretion (and provided all necessary governmental approvals have been obtained therefor), authorize the conversion of riparian rights appurtenant to the Marina not covered by any Member Lease into additional Boat Slips in excess of 80 slips allowed by the current permit allocate additional Memberships to such spaces, establish the prices thereof, and authorize the execution of Member Leases covering such spaces. Upon the creation of such additional Boat Slips, the Board of Directors shall furnish each Member (i) a copy of an amended Exhibit to these Bylaws altering the respective Membership Interests of each of the Memberships fairly to reflect the respective values of all Memberships, including the additional ones (but the relative proportions of the Membership Interests of the existing Memberships to each other shall not be altered by the addition of such additional Memberships); and (ii) a description of the additional Boat Slips so created. Any such notice shall be binding upon the Members and shall not require the consent thereof.

Section 3. Reallocation of Membership Interests in the Event of Casualty or Condemnation. In the event of any damage or destruction to the Marina which is not rebuilt or condemnation to a portion of the Marina, the Membership Interest attributable to any Membership to which any such destroyed or condemned Boat Slip is appurtenant shall be reallocated by the Board of Directors to the remaining Memberships in proportion to the respective Allocated Interest of such remaining Memberships before such condemnation or destruction. Any such reallocation shall be binding upon the Members and shall not require the consent thereof.

Section 4. Furnishing of Services of Non-Members. The Board of Directors may authorize the furnishing of services to non-Members including summer land storage (Store-n-Launch), PWC slips, tie-alongs, transients, and season launch passes at prices and under terms and conditions approved by the Board of Directors, and proceeds for such services will be paid into the Association operating account or otherwise as determined by the Board of Directors.

ARTICLE XIII: Marina Management

Section 1. Employment Contract; Other Contracts of Association. The Association will, at Close of Escrow, or has, enter(ed) into a three-year Employment Contract with Mark G. Haas. Mr. Haas has worked at the Marina as an employee since 2016.

The Employment Contract will be substantially in the form attached hereto as **Exhibit A**. It provides, in summary, that Mr. Haas shall manage and operate the facilities constituting the Marina, including the hiring of employees (subject to certain terms as directed by the Board of Directors), supervision of employees, oversight of purchasing and routine repairs/maintenance, assistance with budget preparation and the performance of other duties required from time to time by the Association or the Board of Directors. Mr. Haas will be entitled to \$XXX per year for his services, together with a performance bonus if voted by the Board. The Association will also provide him with ordinary fringe benefits and reimbursement for expenses (mileage) related to Marina business. The Employment Contract will be cancellable upon thirty (30) days prior written notice by either party, with or without cause.

The Association may enter into employment or other contracts to obtain services deemed reasonably necessary by the Association in conjunction with the marketing of PWC ports, tie-along dockage, Store-n-Launch and Season passes and the execution of such lease agreements.

ARTICLE XIV: Amendments

Section 1. Notice. Written notice of any special or annual meeting at which any proposed amendment or amendments to these Bylaws shall be considered shall contain a statement of the substance of such proposed amendment or amendments and shall be given at least twenty-one (21) days prior to such meeting.

Section 2. Manner of Adoption. Except insofar as a higher vote is required hereunder any amendment to these Bylaws shall require the affirmative vote of Members entitled to cast not less than fifty-one percent (51%) of the votes in the Association, voting in person or by proxy at any meeting at which such amendment may be considered.

ARTICLE XV: Protection of Membership Lenders

Section 1. Approval Necessary. Notwithstanding any other provision herein contained, any amendment to any provision of these Bylaws, which establishes, provides for, governs or regulates any of the following:

- (a) Voting;
- (b) Assessments, assessment liens or the subordination of such liens;
- (c) Reserves for maintenance, repair or replacement of any property in the Marina;

- (d) Insurance;
- (e) Membership Interests of Members;
- (f) Rights to use of the Marina;
- (g) Responsibility for maintenance and repair of the Marina;
- (h) Expansion or contraction of the Marina;
- (i) Leasing of Boat slips under Member Leases;
- (j) Imposition of any right of first refusal or similar restriction on the right of a Member of the Association to sell, transfer or otherwise convey his or her Membership;
- (k) Any provisions which are for the express benefit of any mortgagee of the Association or Membership Lender;
- (l) Liquidation or dissolution of the Association; or
- (m) Application of awards for condemnation, eminent domain or any proceedings in the nature or in lieu of condemnation or eminent domain;

shall require the affirmative vote of two-thirds (2/3) of the Members entitled to cast votes in the Association, voting in person or by proxy at any meeting at which such amendment may be considered, and Membership Lenders holding two-thirds (2/3) of the Security Interests on Membership interests in the Association.

ARTICLE XVI: Equipment Owned and Services Performed by Seller

Section 1. Equipment Storage. All equipment owned by Seller, including but not limited to that used to provide services and maintain Marina property, including but not limited to the Econolift hydraulic trailer, Cat telehandler and Mud Cat dredger, may be stored on Marina property, without rent or cost. The Association must provide adequate space in-water and on land for said equipment. No Member shall, under any circumstances, operate or interfere with any equipment without the expressed permission and instruction of the Seller.

Section 2. Fees for Services. The Association may contract with the Seller, at or below fair market value, for services such as haul out, blocking, and launch of Members' boats, and dredging in the Marina. If Seller provides services such as haul out, blocking and launching of boats owned by sub-lessors or non-Members, Seller has sole right to charge, set, accept, and retain fees for such services and related services.

Section 3. Proceeds from Leases for Unsold Memberships. Seller retains all rights for dockage and winter storage fees charged to sub-lessors of Units of or related to Unsold Memberships that are in excess of the Annual Association fee.

ARTICLE XVII: Dissolution or Liquidation

Section 1. Dissolution. The Association shall be dissolved if dissolution is required under the Member Lease due to damage, destruction or condemnation. The Association may not otherwise be dissolved except by the vote of Members entitled to cast two-thirds (2/3) of the votes in the Association and Membership Lenders holding two-thirds (2/3) of the Security Interests on Memberships in the Association. Any resolution for the dissolution of the Association shall after approval of a majority of the Directors be submitted to the Members and Membership Lenders not less than sixty (60) days in advance of the annual meeting of the Members or a special meeting of the Members called for the purpose of considering such resolution. Such resolution shall state all reasons for the proposed dissolution and the disposition to be made of the assets of the Association. Such a resolution shall be adopted by the vote of the Members specified therefore in the Articles of Incorporation of the Association. The Members may appoint a Trustee or Trustees for the purpose of liquidating the assets of the Association.

Section 2. Distribution of Assets. After the payment of all expenses and obligations of the Corporation, the remaining assets of the Corporation shall be distributed to the Members in proportion to the Square Footage of the Boat Slip Unit exclusive of assessments, initiation fees, finance charges and transfer fees on a pro rata basis.

ARTICLE XVIII: Condemnation and Casualty

Section 1. In the event of damage or destruction to or condemnation of all or any portion of the Marina, the Marina (including Boat Slips) shall be restored to substantially its condition prior to the damage, destruction or condemnation (to the extent possible, in the case of condemnation) unless the Association is dissolved in accordance with the provisions of Paragraph 6 or 9 of the Member Lease. Costs of repair or restoration in excess of available insurance proceeds or condemnation awards shall be common expense (except that in the case of condemnation, such excess cost shall be payable only by the Members whose Boat Slips have not been taken, with the costs thereof allocated along such Members in proportion to their respective Membership Interests). Insurance proceeds shall be applied to restoration unless the Association is dissolved as provided in Paragraph 6 of Member Lease, in which event they shall be applied pursuant to said Paragraph 6. Any insurance proceeds in excess of those needed for restoration shall be allocated to all Members in proportion to their Membership Interests and distributed in accordance with clause (c), below. In the event of a condemnation which results in a dissolution of the Association, all condemnation awards, whether payable with respect to Association property or the property of Members, shall be paid to the Association, to be applied to indebtedness and obligations of the Association, with any excess to be distributed to the Members as dissolution proceeds in accordance with these Bylaws. In the event of a condemnation which does not result in a dissolution of the Association, condemnation awards shall be payable as follows:

- (a) Condemnation awards payable to any Member whose Boat Slip is taken shall be distributed to such Members subject to the rights, if any, of any Membership Lender pursuant to a Security Interest;
- (b) Condemnation awards payable to any Member whose Boat Slip has not been taken shall be applied to restoration with any excess being distributed to such Member, subject to the rights, if any, of any Membership Lender;
- (c) Condemnation awards payable to the Association shall be applied to restoration, with any excess to be distributed as follows:
 - i. To any mortgagee who has extended credit directly to the Association;
 - ii. Such awards shall be allocated to each Member (including both those whose Boat Slips were taken and those whose Boat Slips were not taken) in proportion to his or her Membership Interest up to a maximum of the fair market value of the Boat Slips; and
 - iii. The balance, if any, shall be paid to the Association.

For purposes hereof, a Boat Slip shall be considered “taken” if under applicable principles of law condemnation awards are payable for all or substantially all of the value of the Boat Slip, regardless of whether the Boat Slip is physically taken.

ARTICLE XXIX: Miscellaneous

Section 1. Any procedures not covered by the applicable provisions of the Minnesota Cooperative Law, Minnesota Nonprofit Corporation Act (to the extent applicable), Declaration, the Articles of Incorporation of this Association or these Bylaws, shall be governed by Robert’s Rules of Order Newly Revised, as amended from time to time, or otherwise as directed by act or resolution of the Board of Directors.

ARTICLE XXX: Comprehensive Dock Plan

Section 1. The Board of Directors shall develop a comprehensive plan which will set design and construction standards for docks at that Marina. No docks may be reconstructed in the Marina unless they are constructed so as to meet the design specifications adopted by the Board of Directors, with the exception of those constructed by Seller/Declarant.

EXHIBIT A

EMPLOYMENT CONTRACT

THIS AGREEMENT, made this 21st day of October, 2020, between HUB'S YACHT CLUB AND MARINA COOPERATIVE ASSOCIATION, a Minnesota non-profit corporation, (hereinafter "Association") and MARK G. HAAS, (hereinafter, "Manager")

WITNESSETH;

WHEREAS, the Association desires to employ a Manager to devote full time to the business of the Association, and Manager desires to accept such employment, up the terms and conditions hereinafter set forth;

NOW, THEREFORE, the parties hereto agree as follows:

1. Employment and Term. The Association hereby employs Manager for a term beginning on the date of exemption above-written and working between 01 April and 31 October (hereinafter "Work Period"), and ending at the end of the third Work Period thereof, unless this agreement shall be sooner terminated as provided herein.
2. The Manager shall work a 5-day, 40-hour work week. Hours and days of work will be negotiated between the Manager and Association Board President.
3. Duties. Manager accepts such employment and agrees to use his best efforts and skills at all reasonable times to manage and operate marina facilities of the Association, located in the City of Hastings, Washington County, Minnesota (hereinafter, "Marina"). Such duties shall include without limitation, the following:
 - a. Hiring of additional personnel as needed for that the hiring of any such employee(s) shall be upon such terms as the Association, or its Board of Directors, shall from time to time direct;
 - b. Supervision as necessary of all employees of the Association employed in the maintenance and repair of Marina facilities or the sale of goods or services from facilities in the Marina;
 - c. Maintenance and repair of Marina facilities or the supervision of the maintenance and repair of the Marina facilities;
 - d. Recommendation to the Association, or its Board of Directors of the need for major repairs and/or replacements of personal property, fixtures or equipment in the Marina;

- e. Assistance to the Board of Directors of the Association with the preparation of annual budgets for the operation of the Marina;
 - f. Maintenance of checking and savings accounts including the authority to issue checks and electronic transfers, and control of operating expenditures and revenues of the Marina;
 - g. Purchase for the Marina and the Association of supplies and equipment necessary for the operation and maintenance of equipment provided, however, that the approval of the Association or its Board of Directors shall be required for any purchase in excess of \$1,000.00;
 - h. Performance of such other duties in connection with the maintenance and operation of the Marina as the President of the Board of Directors may from time to time direct.
4. Compensation. The Association agrees to pay Manager for his services as follows:
- a. A base salary of \$35,000 for employment during each annual Work Period, payable at bi-weekly intervals, provided that salary for less than one year of service shall be on a pro-rata basis. Such base annual salary shall be paid in accordance with the normal payroll practices of the Association.
 - b. The Manager may work outside of the Work Period at the same bi-weekly pay rate, if Manager and President of the Association Board of Directors agree to additional work dates outside the Work Period.
 - c. Performance bonus compensation. The Association may, but shall not be required to, pay Manager a performance bonus, the amount of which shall be determined for annual year by the Board of Directors, or a committee thereof.
5. Other benefits. The Association shall provide to Manager 7 days of paid vacation during the Work Period, upon request by the Manager and Approval by the Board of Directors. The Association and may provide additional benefits to Manager as the Association, solely in the discretion of its Board of Directors, may deem appropriate or desirable under policies of the Association as are established from time to time by its Board of Directors.
6. Mileage. The Association shall reimburse manager for mileage on Manager's vehicle incurred during his performance of his duties hereunder, at the official government rate posted at the time mileage is incurred.
7. Termination. This agreement shall terminate

- a. By either party, upon thirty (30) days prior written notice to the other, whether with or without cause, or
- b. Upon agreement by the Association and Manager, or
- c. Upon the death of the Manager.

In the event of termination of this agreement, Manager (or the beneficiary, estate or representative of the Manager) shall be entitled to no further compensation b the Association under the terms of this agreement.

8. Incapacity. In the event Manager becomes incapacitated to such an extent that he is unable to perform the duties required of him under this agreement, the Association and Manager shall adjust his compensation as considered appropriate and equitable.
9. Other Business Ventures. Manager shall devote his full time to the performance of the duties required of him hereunder, during each yearly work period. Nothing herein contained shall be construed to prevent Manager from having an interest, as an owner, investor or otherwise, in any other business.
10. Severable Provisions. Each provision of this agreement is intended to be severable. If any provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity and enforceability of the remainder of this agreement.
11. Entire Agreement. This agreement contains the entire understanding of the parties hereto regarding the subject matter hereof and supersedes all prior agreements and understandings between the parties with respect to such subject matter.
12. Minnesota Law to Govern. This agreement shall be construed and enforced in accordance with the laws of the State of Minnesota.

IN WITNESS WHEREOF, the parties have caused this Employment Contract to be executed effective the date first above written.

HUB'S YACHT CLUB and MARINA,
a Minnesota non-profit corporation

by the Association President

Mark G Haas
Mark G. Haas, an individual