

HENDERSON COUNTRY CLUB, INC.

BY-LAWS

REVISED MARCH 22, 2009

ARTICLE 1

MEMBERSHIP

Section 1. Classification of Membership: All membership of the Corporation shall be classified as follows:

(a) **Full Member:** A Full Member shall be an individual 30 to 65 years of age and shall have all the privileges of the Club, including the use of the Clubhouse, golf course, tennis courts, swimming pool and the other facilities. The same privileges shall also be made available to the spouse and minor children of the member. Children of the member who are full-time students shall have the same privileges until they reach the age of 23. In the event the Full Member is not married, he/she may annually designate a companion of the opposite sex who shall have the full Club privileges as aforesaid.

(b) **Senior Member:** A Senior Member shall be age 65 and over and shall have all the privileges afforded a Full Member.

(c) **Single Member:** A Single Member shall be a person of any age and said Single Member shall have all the privileges afforded a Full Member. The spouse and children of said Single Member may use and have access only to the Clubhouse facilities

(d) **Junior Member:** A Junior Member shall be an individual up to 30 years of age and shall have all the privileges afforded a Full Member.

(e) **Non-Resident Member:** A Non-Resident Member shall be an individual whose residence is not in Henderson County or an adjacent county and said Member shall have all the privileges afforded a Full Member. A Non-Resident Member shall not be required to purchase stock, but shall pay an initiation fee.

(f) **Social Member:** A Social Member shall be an individual of any age and shall have access to and use of only the Clubhouse, pool and tennis facilities. The same privileges shall also be made available to the spouse and minor children of the Member. Said Social Member shall be required to pay such fees as established by the Board of Directors. The Board of Directors shall establish the number of such memberships available annually.

(g) **Corporate Member:** A Corporate Member shall be a corporation who shall pay for three (3) or more Full Memberships. The corporation shall designate a number of employees equal in amount to the number of memberships purchased to be Full Members who shall be afforded all the privileges of a Full Member. A Corporate Member shall have the right, upon the payment of a fee, to transfer the privileges of the Club to another full-time employee of the Corporate Member.

The Corporation shall be responsible for the dues and debts incurred by each member utilizing said stock.

(h) **Honorary Member:** The Board of Directors may designate an individual as an honorary member of the Club. The needs for said honorary member and privileges extended for such membership shall be within the sole discretion of the Board of Directors.

(i) **Holding Member:** Holding Membership is to afford those members having a full membership and a member in good standing whose residence changes to a location outside of Henderson County or any adjacent county an opportunity to return to the Club if at some point in the future they should return to the area. Said member must request permission of the Board of Directors to be placed in holding membership classification. In this classification the member retains all of his rights as a member of Henderson Country Club except the right to vote on issues pertaining to the Club and in any election of board members.

The Holding Member may utilize all the facilities of the Club by paying an annual fee of ten percent (10%) of a full membership dues to be billed in the April billing and the payment of green fees or weekly guest fees whichever is less for each member of the family participating.

The Holding Member must be a non-resident of Henderson County or any adjacent county for over one year. Should the Holding Member return to the county prior to one year, and then he/she must pay the entire annual dues. After one year, if the Holding Member returns to the county or any adjacent county, they must notify the Club within sixty (60) days that they are again residing in the county and desire to be activated as a Full Member. At the next scheduled board meeting the Board will activate the Holding Member as a Full Member and only require that he/she begin paying the Club monthly dues for their classification of membership. (No initiation fee will be required)

(j) Fees and Dues: The dues and fees shall be submitted with the annual budget at the Annual Membership Meeting each year for approval by the membership.

(k) Assessment: An assessment upon the membership of the Club shall only be made upon the approval of the Board of Directors.

Section 2. Initiation Fee and Stock:

(a) Unless otherwise provided hereinabove, all applicants for membership and any membership classification shall pay an initiation fee and shall purchase a stock certificate. The total sum paid for the initiation fee and stock certificate purchased must be paid upon acceptance of the member, unless otherwise provided herein. There will be a maximum of 700 stock certificates issued

(b) All shares of stock must be sold or transferred through the office of the Club. Any member desiring to sell any share of stock owned shall deliver same to the office of the Club with notification that said share of stock is to be sold. The Club shall maintain a list of the shares of stock available for sale and it shall be sold on a first come basis. When sold, the selling owner shall receive the selling price of said stock and the Club shall receive the initiation fee paid by the new purchaser. Certificates shall not be transferred without the approval of the Board of Directors. Certificates may be cancelled by the Board of Directors upon violation of Club By-Laws, rules or regulations by a member and pledging of certificates or allowing liens to be created hereon or similar acts shall be grounds for cancellation.

Section 3A. Membership Renewal: All memberships shall be considered to be automatically renewed on May 1st of each year, and one (1) year's dues shall therefore become a debt, unless a letter of resignation is received by the Board of Directors forty-five (45) days prior to the fiscal year end of the Club.

Section 3B. Resignation: A member may resign only by a written notification to the Board of Directors forty-five (45) days prior to the end of the fiscal year, May 1st, of said resignation and shall be effective at the end of the year. A member may not demit. Resignation shall not release the member of his obligation to pay the dues required for the remainder of the said fiscal year.

Section 4. Payment of Dues: All dues, as set forth hereinabove, are payable in advance on not less than a monthly basis. All dues shall be billed on or about the first day of each month in which they are due are payable on or before the 15th day of said months. If the Club has not received payment by the 25th day of the month, a penalty of 1.5% per month of the unpaid balance shall be added to the member's bill.

In addition, this Section shall also apply to all other monies owed the Club for services, which are billed monthly.

Section 5, Non-Payment: Any member not making payments as defined, or failing to pay promptly any obligations due the Club shall be deemed as in arrears and not in good standing. If arrears continue for a period of more than thirty (30) days, said member shall be subject to notification by the Board of Directors of the arrears. Upon the passage of sixty (60) days in arrears by a member, a "notice to show cause" letter shall be issued, Certified Mail, Return Receipt Requested, for the member to appear at the next scheduled Board meeting and show cause as to why he/she should not be expelled from the Club membership. Such member shall be subject to expulsion upon failure to present a reasonable explanation for arrearage.

Expulsion shall include the forfeiture of his/her share of stock and any rights incident to the ownership of stock, as well as any benefits or privileges a member in good standing would be entitled to, up to

and including exclusion from participation in any civic functions on the premises of the Henderson Country Club. Further, the expulsion shall not relieve the shareholder of the monthly obligation for payment of dues and bills properly due and owing the Henderson Country Club. In the event the arrearages incurred are assigned to an attorney for collection, the member shall be responsible for all attorney fees and court costs incurred in the Club's effort to collect on the arrearages.

Section 6. Control of Memberships: All memberships, as set forth hereinabove, and the use of all facilities of the Club are subject to such rules and regulations as the Board of Directors of the Club shall from time to time adopt.

Section 7. Election of Members: A member of any classification above may propose for membership any person of good moral character. The classifications, to which the nominee is eligible, shall be determined according to the definitions set forth in Section 1 of this Article.

The application shall be signed by at least two (2) members in good standing and the nominating member shall introduce the applicant to two (2) members of the Board of Directors and the Chairman of the Membership Committee prior to the next Board meeting. The Chairman of the Membership Committee, or his designee, shall present the application to the Board for acceptance. Membership will be granted if two-thirds (2/3) of the Board of Directors present at the meeting approve the application. If no membership opening is available, the approved applicant will be placed on the waiting list. If the applicant is denied membership he shall not be eligible for re-nomination for one (1) year.

Section 8. Exception for Military Service: A member who is absent in active military service shall be exempt from the payment of all dues and fees during his absence, unless a member of his household or members continue to use the Club facilities, but no part of any dues already paid or payable shall be refunded.

Section 9. Death, Disability or Moving: In the case of a death of a

Member, the membership certificate shall pass to the spouse, if any. If there is no surviving spouse, the membership may be passed on to a lineal member of the immediate family, with approval of the Board of Directors or returned to the Club for sale and re-issued to the first, active member with the monies from the sale returned to the estate. Death, disability, job loss or moving from Henderson County, Kentucky, or any adjacent county shall be grounds for resigning from the Club at anytime. At the Board's discretion, any 10+ year member, in good standing, could be rebated for dues from the time of resignation. All bills must be paid at time of resignation.

Section 10. Suspension or Expulsion; For the persistent (more than once) infraction of any of the By-Laws, rules and regulations of the Club, including such as are promulgated and published by duly constituted committees and are not inconsistent with these By-Laws or for any action or conduct adversely reflecting upon the Club, a member may be suspended or expelled by the Board of Directors. The member shall have an opportunity for a fair hearing as set forth in Section 5, based upon the issuance of a "show cause" notice.

In the event a Club member is expelled, expulsion shall mean and include the fact that the Club member shall not be entitled to any benefit, use or privilege of the Henderson Country Club premises whatsoever. This includes the participation in outings of other organizations by whoever organized, or any private function that may take place on the premises of the Henderson Country Club

Section 11. Effect of Termination; The termination of membership, including resignation or suspension, shall in no case involve the refund or abatement of (a) dues which have theretofore become payable, (b) membership fees theretofore paid or (c) any other monies remaining unpaid at the point of resignation or suspension. Suspended members shall continue to pay dues during the period of suspension. "All rights and privileges of the membership, including the property rights of a certificate membership, cease forthwith upon the termination for any reason, except for the certificate value when sold, which shall be returned to the member less any indebtedness to the Club."

Section 12. Voting of Certificates; Although some members may hold more than one (1) share of stock or membership, said full member shall be entitled to only one (1) vote and shall pay dues for only one (1) membership, if only one (1) share of stock is activated.

ARTICLE II

BOARD OF DIRECTORS

Section 1. Number and Election: The Board of Directors shall consist of six (6) voting members. The members of the Board shall be elected at the annual meeting of the Corporation to be held on the third Sunday in February of each year at 4:00 PM, at the Club. The Board of Directors shall be elected at each said meeting by a majority of the certificate holders entitled to vote that shall be present at said meeting. The Board of Directors shall be elected for three (3) year terms or until their successors are elected and qualified. Each certificate held by a member in good standing shall be entitled to one (1) vote.

There shall be two (2) Directors elected each year in order that the Directors shall have staggered terms.

Section 2. Succession: A Director may succeed himself for an additional term only by vote of the general membership and shall be limited to two (2) full three-year terms. After an absence of one (1) year from the Board, a person shall become eligible for re-election.

Section 3. Vacancy; If a vacancy occurs among the Directors, it shall be filled by nomination and approval of a majority of the remaining Directors until the annual meeting and the vacancy shall be by a vote of the general membership.

Section 4. Operation:

(a.) This Corporation shall be governed by a Board of Directors which shall be vested with and may exercise any and all of the powers of this Corporation, except as otherwise provided by the Articles or By-Laws.

(b.) The Board of Directors may not encumber the real property owned by the Club without the approval of the stockholders.

(c.) The Board of Directors may hire such individuals as they feel necessary and desirable for the effective operation of the Club including, but not being limited to, a Club manager whose duties and functions shall be as directed by the Board.

Section 5. Quorum: A majority of the Board of Directors shall be necessary to constitute a quorum for the transaction of business and a majority of the Directors present at a meeting at which a quorum is present may transact the business of the Board of Directors.

Section 6. Meetings: The Board of Directors shall meet not less than quarter-annually. Special meetings of the Board of Directors may be called by the President or any three (3) Members of the Board upon reasonable written notice to each member, signed by the President or the members calling the meeting. The notice shall state the purpose or purposes of the meeting and the nature of the business to be transacted and except by unanimous consent of the Members of the Board, no business, other than that stated in the notice, shall be transacted at the special meeting. Written notice may be waived by unanimous oral consent of the members.

ARTICLE III

OFFICERS AND COMMITTEES

Section 1. Officers: The officers of this Corporation shall consist of a President, a Vice-President, a Secretary and a Treasurer. The Board of Directors of this Corporation shall choose all officers.

Section 2. Election: Each officer of this Corporation shall be nominated from and elected by the Board of Directors at its February meeting to hold office for a period of one (1) year, commencing upon March 1st and until their successors shall be elected and shall have qualified.

Section 3. Vacancy: Whenever any vacancy shall occur in any of the offices of this Corporation, other than by expiration of term, the same shall be filled by the Board of Directors and any officer so elected shall hold office until the next annual meeting of the Board of Directors and until his successor shall be duly elected and qualified.

Section 4. Removal: Any officer of this Corporation, after due notice and hearing, may be removed from office by the Board of Directors of this Corporation whenever, in its judgment the best interest of the Corporation will be served thereby.

Section 5. Committees: The Board of Directors may from time to time establish committees, which it feels are necessary to assist it and staff members of the Club in managing the operation and budget of the Club.

Section 6. Nominating Committee: Each year at the Board meeting in November, the President, with the approval of the Board of Directors, shall appoint a chairman and four other members to be known as the Nominating Committee. These five (5) members of the committee shall include the President of the Men's Club, the President of the Ladies' Club, a member of the Pool and/or Tennis Committee, a member of the Greens Committee and one member at large. It shall be the duty of this committee to search for and evaluate candidates for the Board of Directors and nominate one (1) candidate for each director to be elected at the next annual meeting.

ARTICLE IV

DUTIES OF OFFICERS

Section 1. President: The President of this Corporation shall discharge all the usual functions of the chief executive officer of the Corporation, including the execution on behalf of this Corporation of all deeds, leases,

contracts and other official documents and shall perform such other duties as these By-Laws or the Board of Directors shall prescribe. In addition, the President shall serve as Chairman of the Board of Directors of the Corporation.

Section 2. Vice-President: In the absence of the President or in the event of his death, inability or refusal to act, the Vice-President shall perform the duties of the President and when so acting, shall have all the powers of and be subject to all the restrictions of the President. The Vice-President shall perform such other duties as from time to time may be assigned to him by the President.

Section 3. Secretary: The Secretary shall keep, or cause to be kept, in a book provided for the purpose, a true and complete record of the proceedings of the meetings. The Secretary shall attest the execution by this Corporation of all deeds, leases and other official documents and shall affix the corporate seal thereto. The Secretary shall attend to the giving and serving of all notices of corporate meetings pursuant to these By-Laws and records and corporate seal of this Corporation. The Secretary shall, in general, perform all duties pertaining to the office of Secretary and such other duties as these By-Laws or the Board of Directors may prescribe.

Section 4. Treasurer: The Treasurer shall keep, or cause to be kept, correct and complete records of accounts, showing accurately at all times the financial conditions of this Corporation. He shall be responsible for all funds, monies, notes securities and other valuables which may, from time to time, come into the possession of this Corporation and he shall deposit or cause to be deposited, the funds of this Corporation, with such depositories as the Board of Directors shall designate. He shall furnish at meetings of the Board of Directors or whenever requested by the Board, a statement of the financial condition of this Corporation and, in general, shall perform all duties pertaining to the office of Treasurer. In addition, he shall perform such other duties as the By-Laws or the Board shall prescribe.

ARTICLE V

VISITORS

Section 1. Residents within Henderson County or an adjacent county:

All Members in good standing may have as their guest any person of good moral character. Guests who reside in Henderson county, or an adjacent county may play golf three (3) times per year.

Additionally, a guest may participate in any number of open or invitational tournaments or outings hosted by the Henderson Country Club subject to all rules and regulations of the Club including the dress code. If a member in good standing of the Henderson Country Club does not escort such guest, he/she must be a member of another recognized Country Club and must have received prior approval by the Club Pro. Non-escorted guests are not permitted on weekends, holidays or before 10:00 AM Tuesday through Friday. All guest play is at the discretion of the Pro.

Non-escorted guests must be a member of a recipient Club and must have proper credentials. For the privilege of being able to play the Henderson Country Club golf Course, non-escorted guests will be charged a green fee of an amount greater than the standard green fee rate established for member-escorted and/or house guests. The Board of Directors shall establish this rate.

Section 2. Residents of Henderson County or an adjacent county:

All members in good standing may have as their guests persons of good moral character who reside outside of Henderson county or an adjacent county at any time. A houseguest or a member may enjoy the privilege of the Club for a period of three (3) weeks or for such additional time, not to exceed five (5) weeks, by the payment of a special guest membership. The Board of Directors shall set the guest membership fee. The member shall be responsible for all actions and indebtedness of these guests.

Section 3. Responsibility of Members: The member introducing a visitor shall enter in a guest register the visitor's name or names and the period for which he is introduced and such member shall be responsible for the behavior of his guests at the Club and for all indebtedness to the Club incurred by them. The failure of a member to see that his guests are

properly registered shall be regarded as a serious infraction of the rules of the Club.

Section 4. Number of Guests: A member shall not have more than three (3) guests at one time without permission of the Club Manager.

Section 5. Guest Violations: The Board of Directors shall appoint a member of the Club staff or a committee or both to oversee guest privileges and violations. If violations are detected, the appointee will apprise the member of the guest violations. A second violation by the same member will be reported to the Board of Directors for appropriate action.

Section 6. Application to Parties and Dinners: The requirement of guest registration and restrictions as to number of guests shall not apply in the case of private parties or dinners arranged through the Club by a member. The member will, however, still be responsible for the actions or any indebtedness of these guests.

ARTICLE VI

STOCKHOLDERS MEETINGS

Section 1. Annual Meeting: The annual meeting of the stockholders of the Corporation shall be held on the third Sunday in February at the hour of 4:00 PM at the Club for the purpose of electing directors and for the transaction of such other business as may come before the meeting.

Section 2. Special Meetings: Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President or by the Directors and shall be called by the President at the request of the holders of not less than twenty percent of all of the outstanding shares of the Corporation entitled to vote at the meeting.

Section 3. Notice: Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting the purpose or purposes for which the meeting is called, shall be delivered not less than

ten (10) days before the date of the meeting, either personally or by mail, by or at the direction of the President or the Secretary, to each stockholder of record entitled to vote at such meeting. The number of certificate members present at any meeting held upon proper notice shall constitute a quorum.

ARTICLE VII

MISCELLANEOUS PROVISIONS

Section 1. Parties and Private Dinners: All members in good standing shall have the right to arrange a private party, dinner or other activity within the Club, providing arrangements are made in advance with the Club Manager and the function would not interfere with the privileges of the Club membership without Board of Directors approval. The member shall be responsible for actions of his guests and all indebtedness to the Club. There shall be no charge to members for use of the Club for private entertainment, except to the extent necessary to cover extra costs.

The Board of Directors may, upon the affirmative vote of two-thirds (2/3) of the Directors present at any duly constituted meetings, offer the privileges of the Clubhouse and grounds or any portion thereof upon special occasions (1) to any approved civic organization for a meeting or party to be held primarily for the entertainment of out-of-town guests or for the promotion of a worthy non-political non-sectarian enterprise of a special nature; or (2) upon request of a business executive who is a member of the Club, to any business organization for a company meeting or party. The established fee for the use of the facilities shall be charged therefore, unless specified otherwise by the Board action.

Section 2. Special Option of Single Member: A single member in good standing shall have the right at any time to invite a guest to accompany him/her for a Clubhouse function only. This privilege shall not apply to the golf course, swimming pool or tennis courts.

Section 3. Alcoholic Beverage and Set-Ups: All alcoholic beverages and set-ups used on the Club premises must be purchased through the Club and the Club will serve drinks at the bar at regular Club prices and furnishing all necessary attendants.

Section 4. Green Fees: Except for those paying visitors dues, all guests using the golf course, swimming pool or tennis courts will be required to pay the daily applicable fees.

Section 5. Cancellations: Members who make reservations for Club or committee functions, or for dinners and fail to cancel same at least six (6) hours in advance, shall be charged for the full price thereof.

Section 6. Complaints and Suggestions: All complaints and suggestions concerning the operation of the Club or the conduct or services of its employees and concessionaires shall be taken up with the Club Manager, with the Chairman of the appropriate committee, with the President of the Club or with the Board of Directors. It shall be considered an infraction of the rules of the Club for any member to make any complaint directly to the person involved or to attempt in any manner to direct such persons in the performance of their duties.

Section 7. Incurring Indebtedness Against Club: The Board of Directors shall not incur any indebtedness directly or indirectly against or in the name of the Corporation in excess of three percent (3%) of budgeted expenditures, without obtaining the prior approval of the stockholders at a duly called meeting.

The Board of Directors shall operate the Club in accordance with the annual budget and said annual budget for each year shall be approved by the stockholders at the annual meeting prior to May 1st each year.

The annual budget may be increased during the fiscal year upon the approval of the stockholders. The Board shall notify the stockholders of the special meeting concerning the budget at least three (3) days prior to said meeting.

Section 8. Hours of Operation: The times and hours during which the Club will be open shall be prescribed by the Board of Directors and notice thereof shall be kept posted on the Club bulletin board.

Section 9. Fiscal Year: The fiscal year of this Corporation shall begin on the first day of May and end of the 30th day of April of each year.

Section 10. Amendment: The By-Laws may be amended by a vote of a simple majority of the stockholders present at a regular or special meeting called for that purpose.

Section 12. Inactive Status: An active member, who becomes inactive, without Board approval or in contradiction of the By-Laws, shall forthwith tender the stock certificate to the headquarters of the corporation at 1030 Country Club Drive, Henderson, Kentucky for the purposes of placing said stock for sale. The Corporation shall hold the stock for a period of time and shall sell such stock certificate to any new member on a first come/first serve basis. Upon payment for the stock by the new member, said corporation shall forward the monies paid for said stock or stocks to the former stockholder. Said transfer shall be subject to any withholding and/or debts that may be owed by the former member.

Failure of an inactive member to forward the stock certificate to the corporation after becoming inactive for a period of sixty (60) days may, upon action of the Board of Directors, cause a forfeiture or cancellation of the stock or alternatively said share of stock may be declared null and void and the corporation may issue a new share to a prospective or proposed member without cost to the corporation.