

Lake Hickory Country Club

By-Laws



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BY - LAWS

ARTICLE I - ORGANIZATION AND PURPOSE

The purpose and aim of the Club shall be to provide facilities for the entertainment, recreation, and enjoyment of its members, to create opportunities for social interaction among the members, their families, and their guests, and to sponsor and promote for the benefit of its members athletic sports such as golf, tennis, swimming, and similar related activities. Its business and affairs shall be conducted accordingly.

The Club has been organized under the conditions and authority set out in THE CERTIFICATION OF INCORPORATION as amended in the OFFICE OF THE SECRETARY OF STATE OF NORTH CAROLINA and THE OFFICE OF THE REGISTER OF DEEDS FOR CATAWBA COUNTY. The Club shall operate under this certificate and all amendments thereto.

ARTICLE II - FORM OF GOVERNMENT AND ADMINISTRATION

It shall be the duty of the Board of Directors, elected by the membership, as provided in Article III, to carry out the objectives and purposes of the Club subject to the By-Laws and Certificate of Incorporation as amended.

ARTICLE III - BOARD OF DIRECTORS

Section I The Board of Directors shall be twelve (12) in number and shall be divided into three (3) classes of four (4) members each. The term of office of one class shall expire at each annual meeting when four (4) Directors shall be elected by ballot to serve a term of three (3) years. It shall be the responsibility of the Nominating Committee to assure that at least three (3) Platinum members or their spouses are nominated to each class. The rotation of Directors shall be in accordance with the classes in existence as of the date of the adoption of these By-laws.

Section II At the August meeting of the Board of Directors, the President shall present to the Board of Directors a proposed Nominating Committee. The purpose of this committee is to select a slate of candidates for Board members scheduled for election at the annual meeting. The Nominating Committee shall consist of not less than five (5) nor more than seven (7) Club members entitled to vote at the annual meeting. At least two (2) members of this committee shall be currently active, non-board members. The members proposed for the Nominating Committee shall be subject to review and approval by a majority of the Board of Directors. No Club member may serve on a Nominating Committee more than once in any three (3) consecutive year period.

Stockholding members aggregating at least fifteen (15) votes may, by signing a petition, at least seven (7) weeks prior to the annual meeting and by submitting the signed petition to the Nominating Committee, place in nomination the name of one or more members, entitled to serve on the Board of Directors, as a nominee(s) for any Board vacancy/vacancies to be filled at the annual meeting. The nominee(s) must agree to serve if elected.

Nominations from the floor at the annual meeting shall also be permitted.

At least six (6) weeks prior to the annual meeting, the Nominating Committee shall meet and nominate the number of nominees, based on the upcoming vacancies on the Board, in addition to any members presented by the above petition process. It shall be the responsibility of the Nominating Committee to assure that at least three (3) of the nominees are Platinum members or the spouse thereof, one nominee may be selected from other active dues paying members that include Emeritus, Surviving Spouse, Platinum Corporate, Town Club, Junior or the spouse thereof. A list of nominees and the vacancies to be filled shall be delivered to the Club Secretary/Treasurer at least five (5) weeks before the annual meeting.

The Club Secretary/Treasurer shall prepare a proxy statement with the names of nominees, the vacancies to be filled and brief information about each nominee. The proxy statement including notification of the annual meeting shall be mailed to each stockholding member by regular mail to the member's address shown on the Club's records, at least thirty (30) days prior to the annual meeting.

Section III No Director who has served two (2) consecutive full terms of three (3) years each shall be eligible for re-election until after the lapse of one (1) year.

Section IV Should a vacancy occur in the Board, the remaining Directors shall select a qualified member to complete the remaining term while maintaining the classification requirements specified in Section I and subject to the limitations of Section III hereof.

Section V In addition to, and not in restriction or limitation in the usual powers of like bodies, the Board of Directors shall have the following powers:

- (a) To determine policy for and to exercise control of the Club, its affairs, property, and funds.
- (b) To admit applications for membership, and to fine, suspend or expel members for non-payment of dues, assessments, or other obligations to the Club, or for conduct incompatible with the purposes of the Club.
- (c) To make and enforce rules for the conduct of the members of the Club and for the use of Club property.
- (d) To fix and enforce penalties for violation of the By-laws and Rules and Regulations.
- (e) To prescribe and publish rules, not inconsistent with these By-laws, for the admission of guests and visitors to the Club.
- (f) To call special meetings of the stockholding members of the Club to consider specific subjects.
- (g) To make, alter, and amend rules for the government of the Board of Directors and to fix and enforce penalties for the violation of such rules.
- (h) To authorize the borrowing of monies, consistent with the annual budget as approved by the Board of Directors, deemed necessary to further the purpose of the Club. Any amount borrowed which exceeds those amounts included in the budget by \$250,000.00 in the aggregate must be

approved by a majority vote of the Class A stockholders voting in person or by proxy.

- (i) To authorize and cause to be executed leases, contracts, notes, deeds of trust, security agreements, and liens, upon the affirmative vote of a majority of the Board of Directors, which said Board deems necessary for the operation and maintenance of the Club; provided, however, that the execution of any such documents in connection with a transaction or transactions which exceeds amounts included in the budget by \$250,000.00 in the aggregate must be approved by a majority vote of the Class A stockholders voting in person or by proxy.
- (j) To receive and resolve complaints.
- (k) To do such lawful acts and exercise such other lawful powers as may be deemed proper in promoting the welfare of the Club subject to these By-laws and the Certificate of Incorporation as amended.
- (l) To authorize the sale of property, which said Board deems to be in the best interest of the Club. The sale of property over and above one (1) acre must be approved by a majority vote of the Class A stockholders voting in person or by proxy.
- (m) To set dues and fees.

Section VI The Board shall hold regular meetings at least once every month on a day to be set at the first meeting of the Board following the annual meeting. Special Board of Directors meetings may be called by the President and must be called upon the written request of four (4) members of the Board, provided that notice thereof and the business to be presented at the meeting shall be given to each Board member at least three (3) days before the time appointed for such meeting. A majority of the Board shall constitute a quorum.

Section VII The Board of Directors, under the direction of the President, shall prepare an annual report, including a discussion of the conditions of the Club and its property and an account of the financial transactions for the prior fiscal year, such report and account shall be printed and made available to each voting member of the Club at least ten (10) days prior to the annual meeting.

Section VIII Any member of the Board of Directors may be removed therefrom by the vote of three-fourths (3/4) of the whole Board or by the vote of a majority of the members entitled to vote, but only at a meeting, in either instance, which has been duly called for that purpose.

Section IX Conflict of Interest The purpose of the conflict of interest policy is to protect Lake Hickory Country Club, Inc. when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a Director of the Club.

Any Director or member of a committee with governing Board delegated powers, who has a direct or indirect financial interest, is an interested party. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family a potential ownership or investment interest in, or compensation arrangement with any entity or individual that the Club is negotiating a transaction or arrangement.

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose same with the governing Board prior to considering the proposed transaction or arrangement. An interested person may make a presentation at the Board or committee meeting; but, after the presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

Each Director and member of a committee with Board delegated powers, shall sign annually a statement that affirms such person has received a copy of the conflicts of interest policy; has read and understands the policy, and has agreed to comply with said policy.

Section X Compensation No Director shall receive a salary or any other compensation whatsoever; but, shall be entitled to reimbursement for all reasonable expenses incurred in performing any duties pursuant to these By-laws.

Section XI Absences Any Director missing three meetings in a service year or two consecutive meetings, without prior permission, is subject to be asked to resign their Board position due to apparent lack of interest.

ARTICLE IV - OFFICERS

Section I The officers shall be President, Vice President, Secretary/Treasurer, and such other officers as the Board of Directors deems appropriate.

Section II Election Officers shall be elected by the Board of Directors at an organizational meeting following the annual meeting, and such officers shall take office upon election. All officers (including the President) shall hold their respective offices for one year or until their successors are duly qualified and elected.

Section III President The President shall preside at all meetings of the Club and of the Board of Directors and, on behalf of the Board of Directors, shall have general supervision over the affairs of the Club, its property and employees and, in that connection, shall work closely with the General Manager. He/she shall be an ex-officio member of all committees. By and with the approval of the Board as authorized by these By-Laws, he/she shall make and execute all contracts for and on behalf of the Club. Immediately after the election of officers he/she shall appoint the Chairperson of each Standing Committee named in these By-Laws and from time to time appoint such other committees as shall be authorized by the Board of Directors.

Section IV Vice President In the absence of the President, the Vice President shall perform the duties of the President. Should neither be present at any meeting, a chairperson for that meeting shall be elected by those in attendance.

Section V Secretary/Treasurer The Secretary/Treasurer shall conduct all officiacorrespondence of the Club subject to the general supervision of the President. He/she shall keep or supervise the keeping of the records of the meetings of the Club and of the Board of Directors, shall maintain a list

of the members, and shall perform such other duties as may from time to time be fixed by the Board of Directors as required by these By-Laws and the State of North Carolina.

The Secretary/Treasurer shall supervise the collection and disbursement of funds of the Club as directed by the Board of Directors. He/she shall make a statement at each regular meeting of the Board of Directors concerning the financial condition of the Club, after consultation with the General Manager, and his/her detailed report of the financial transactions of the Club for the preceding fiscal year shall be embodied in the annual report of the Board of Directors. As well, he/she shall be chairperson of the Finance Committee.

ARTICLE V - COMMITTEES

Section I Standing and Special Committees The standing committees of the Club shall consist of the following: Finance Committee, Golf and Greens Committee, Dining and Social Committee, Membership Committee, Tennis Committee, Fitness and Pool Committee, Strategic Planning Committee, Personnel Committee, Architecture and Design Committee, and Catawba Springs Committee. All standing committees shall be appointed annually by committee chairpersons with the approval of the Board of Directors under the chairmanship of the Director as designated by the President, with the exception of the Finance Committee. No committee, standing or special, shall exercise any power except as expressly delegated to it by the Board of Directors or by these By-Laws. In general, the several standing committees shall be advisory to the Board of Directors and shall assist the Board in the formulation of the Board's policies and direction in particular areas and shall not, except as herein otherwise specifically provided, exercise executive functions.

Section II Finance Committee The Finance Committee shall be chaired by the Secretary/Treasurer. The Committee shall oversee financial practices of the Club. The Committee shall prepare, in conjunction with the General Manager, an annual Operating budget and separate Capital budget for the ensuing year that shall be presented to the Board of Directors for its approval at its August meeting and to the stockholding members for their approval at the annual meeting.

An external auditing firm shall review the Club's financial records annually.

Section III Golf and Greens Committee The Golf and Greens Committee shall be advisory to the Board of Directors, in conjunction with the General Manager and Golf Professional and subject to the approval of the Board of Directors, shall have charge of arrangement for, and conduct of, all golf tournaments held by the Club and shall decide all questions which may arise concerning the rules of golf. This Committee shall keep all records of tournaments held and have the care of the golf trophies and prizes in course of competitions. Subject to the approval of the Board of Directors, the Committee shall adopt the ground rules and the guest rules governing the use of the course for play so far as they pertain to the game of golf. The Committee shall assist in the preparation of the annual budget as it relates to golf and shall continuously monitor the budget for performance. The Committee shall have general planning, policy and maintenance jurisdiction over the golf course properties and practice areas, including, but not limited to, the care and maintenance of these areas, the bridges, carts, cart paths and parking areas associated with the courses.

Section IV Dining and Social Committee The Dining and Social Committee shall be advisory to the Board of Directors in developing policy and procedures for the operation of the restaurants, dining, and bar facilities, and in making rules and regulations pertaining to the use of Clubhouse facilities and the conduct of the members, their families and their guests while using the same. The Committee will also function as an informal entertainment committee to assist the General Manager in planning certain social functions at the Club. The Committee shall assist in the preparation of the annual budget as it relates to its area of responsibility and shall continuously monitor the budget for performance.

Section V Membership Committee The Membership Committee shall receive, from the Secretary/Treasurer all applications for membership, see that they are made in compliance with procedures approved by the Board of Directors, and report its recommendations as to the admission of applicants to the Board of Directors. The names of the members of this committee need not be published, at the discretion of the Board of Directors.

Applicants for membership shall not be discriminated against on the basis of race, national origin, religion, gender, age, handicap, or sexual orientation.

The Committee's role should include, but, not be limited to, review of membership categories, dues, fees, marketing materials and promotion of Club membership.

Section VI Tennis Committee The Tennis Committee shall be advisory to the Board of Directors and to the General Manager in matters pertaining to the overall operations of the tennis courts and the making of rules and regulations governing the use of the tennis courts by the members, their families and their guests. The Committee shall, in conjunction with the General Manager and the Tennis Professional, and subject to the approval of the Board of Directors, hold and sponsor such tournaments during the season as are determined to be in the best interest of the Club and its members. The Committee shall assist in the preparation of an annual budget as it relates to its responsibility and shall continuously monitor the budget for performance.

Section VII Fitness and Pool Committee The Fitness and Pool Committee shall be advisory to the Board of Directors and to the General Manager in matters pertaining to the overall operations of the Fitness Center and the swimming pool and the making of rules and regulations governing the use of such facilities by the members, their families, and their guests. The Committee shall assist in the preparation of an annual budget as it relates to its areas of responsibility and shall continuously monitor the budget for performance.

Section VIII Strategic Planning Committee The Strategic Planning Committee shall be a standing Committee to the Board of Directors and to the General Manager. The Committee shall be responsible for the development and updating of a plan which defines the Club's visions, objectives, methods of increasing membership values, and excellence in reputation.

Section IX Personnel Committee The Personnel Committee shall advise and assist the General Manager in matters involving the employees and the staff of the Club, recommend and implement matters of policy, salaries, wages, and employee benefits, and shall recommend changes in the operational rules and management policies when deemed necessary or advisable.

Section X Catawba Springs Committee The Catawba Springs Committee shall be a standing Committee to the Board of Directors and to the General Manager in matters pertaining to control, operations, and supervision of the Clubhouse (other than the Golf Shop and its employees and staff), its contents, the employees and the staff engaged therein, and in matters pertaining to the maintenance of the Clubhouse facilities.

The Committee shall serve as a liaison to the Board of Directors and the General Manager in developing policy and procedures for the operation of the restaurant and special events, and in making rules and regulations pertaining to the use of Clubhouse facilities (other than the Golf Shop) and the conduct of the members, their families, and their guests while using the same.

The Committee shall function as an informal entertainment committee for Catawba Springs to assist the General Manager in planning certain social events at the Clubhouse. The Committee shall assist in the preparation of the annual budget as it relates to its area of responsibility and shall continuously monitor the budget for performance.

Section XI Architecture and Design Committee The Architecture and Design Committee shall be a standing Committee to the Board of Directors and the General Manager in matters pertaining to architectural interior/exterior design of the facilities as well as renovations and new structures to be built. The Committee shall be chaired by a member of the Board of Directors and shall be made up of persons with the necessary talent, artistry, and expertise to support the Club goals. The Committee will meet on an as needed basis.

ARTICLE VI - MEMBERSHIP

Section I Candidates for membership shall be elected or excluded by a majority vote of the Board of Directors acting upon the recommendation of the Membership Committee.

The Membership Committee shall receive from the Secretary/Treasurer all applications for membership, see that they are made in compliance with procedures approved by the Board of Directors, and report its recommendations as to the admission of applicants to the Board of Directors. The names of the members of the Committee need not be published, at the discretion of the Board of Directors.

Applicants for membership shall not be discriminated against on the basis of race, national origin, religion, gender, age, handicap, or sexual orientation.

Section II The Club shall be composed of Platinum and Platinum Corporate members and such other classes of membership as the Board of Directors may create.

Section III There shall be no initiation fees except where designated by the Board of Directors, but each Platinum member shall be required to purchase before being admitted to membership, one (1) and only one (1) share of Class A Common Stock, known as membership stock, and one (1) share of Class B Common Stock. Each Platinum member must, at all times, retain, hold, and own one (1) share of membership stock. Further, until such time as all Class B Common Stock shall have been recalled for retirement, each Platinum member shall be required to retain and own at least one share

(1) of Class B Common Stock.

Section IV All Class B Common Stock should be, but need not be, owned by the Club members who are holders of Class A Common Stock. Class B Common Stock may be transferred with the approval of the Board. The Board shall not approve the transfer of such stock to non-members unless given an opportunity to purchase it for the Club's account at the offered price or in the event the Board shall not deem it advisable to purchase it for the Club's account, it must be allowed to offer it for purchase to individual members on the same basis before it may approve its transfer to non-members.

Section V Classes of Membership The classes of membership shall include Platinum, Platinum Corporate, Emeritus, Surviving Spouse, Junior, Town Club, Non-Resident, Catawba Springs Golf - Family, Catawba Springs Golf - Single and Catawba Springs Social and such other classes as the Board of Directors may establish from time to time. All memberships are subject to and governed by the By-laws and Rules and Regulations of Lake Hickory Country Club, Inc.

The requirements for and rights pertaining to the various classes of membership are:

1. **Platinum Membership** - The Platinum member must at all times own and hold one (1) share of Class A Common Stock, and one (1) or more shares of Class B Common Stock. The Platinum member shall have the right to use any and all Club facilities and to enjoy all Club privileges for themselves, their spouse, and their children residing in the home or serving in the Armed Forces **except** for children over the age of 21 years, who are not in school or who are married. Unmarried children who are full-time students may use their parents' membership until they reach the age of 26 years old. A Platinum member in good standing is a voting member.
2. **Emeritus Membership** - Any existing Platinum member who has attained the age of 72 years and has also been a member in good standing for at least 33 years, upon request, and verification of the facts by the Secretary/Treasurer, shall be granted Emeritus membership. An Emeritus member shall have the rights and privileges of a Platinum member and will be given reduced dues and house fee as determined by the Board of Directors. An Emeritus member in good standing is a voting member.
3. **Surviving Spouse Membership** - The Surviving Spouse membership may be requested by either the surviving spouse of a Platinum member or the Platinum member should their spouse precede them in death. A Surviving Spouse member shall have the rights and privileges of a Platinum member and will be given reduced dues and house fee as determined by the Board of Directors. If a Surviving Spouse member remarries, his/her membership will revert back to a Platinum membership, and if there is a subsequent divorce, he/she will not be able to return to Surviving Spouse status. A Surviving Spouse member in good standing is a voting member.
4. **Junior Membership** - The Junior member shall have the rights and privileges of a Platinum member except for the right to vote. Anyone between the ages of 21 and 35 shall have the right to be designated as a Junior member and shall be given the privilege of reduced dues until the age of 36, at which time he/she shall elect to transfer to either Platinum or Town Club membership and shall be granted the rights and privileges of said membership.

5. **Town Club Membership** - The Town Club member shall have the rights and privileges for the use of the dining facilities at both the Town Club and Catawba Springs, Town Course golf course, swimming pool, tennis courts and fitness center. This is a non-stockholding and non-voting membership

6. **Platinum Corporate Membership** - The Platinum Corporate membership is a contractual, non-stockholding and non-voting membership that may be issued to a corporation or other business entity and shall be assigned to one employee of the business entity. There shall be an initiation fee and an assignment fee required for each Platinum Corporate membership purchased – there is no limit to the number of memberships a corporation may purchase. A Platinum Corporate member shall have the same use of the Club facilities as a Platinum member for themselves, their spouse, and their eligible children.

7. **Non-Resident Membership** - A Non-Resident membership may be extended to anyone who does not reside in Catawba County or a county contiguous thereto and shall carry the use and privileges extended to a Platinum member for themselves, their spouse, and their eligible children, with the exception of voting rights, this is a non-stockholding and non-voting membership

8. **Catawba Springs Family Golf Membership** - The Catawba Springs Golf Family membership shall be a non-voting, non-stockholding membership limited to the use of the facilities at the Catawba Springs golf course for themselves, their spouse and their eligible children.

9. **Catawba Springs Single Golf Membership** - The Catawba Springs Single Golf membership shall be a non-voting, non-stockholding membership limited to the use of the facilities at the Catawba Springs golf course for the named member only.

10. **Catawba Springs Social Membership** - A Catawba Springs Social membership shall be a non-voting, non-stockholding membership limited to the use of the Catawba Springs Clubhouse dining and fitness center facilities for themselves, their spouse and their eligible children.

Section VI Forms of Proposal and Contracts All applications for membership shall be made upon forms and in accordance with procedures recommended by the Membership Committee and established by the Board of Directors from time to time. **Corporate Membership Contracts and Notes evidencing deferred indebtedness for membership, where deferral is otherwise permitted, shall be approved as to form and content by the Board of Directors from time to time.**

ARTICLE VII - VOTING PRIVILEGES

Section I Each Platinum, Emeritus, and Surviving Spouse member holding one share of Class A Common Stock, who are otherwise in good standing, shall be a voting member and be entitled to one vote at any meeting of the membership and to cast one ballot for the election of members of the Board of Directors.

Section II A majority of those members entitled to vote and present in person or by proxy at any duly called annual or special meeting shall constitute a quorum.

Section III Any member entitled to vote at any duly called annual or special meeting shall be provided, upon written request therefore, a list of members who are entitled to vote with last known mailing addresses. The written request for such list must contain the affirmation of the requesting member that such list shall be used solely for proper corporate purposes.

ARTICLE VIII - CHANGE IN MEMBERSHIP

Section I All Platinum members, as provided in Article VI, must at all times own and hold, one and only one, share of Class A Common Stock, that shall be voting stock and known as membership stock. Class A Stock, once issued, may not under any circumstances be redeemed, bought, or paid for by the Club, except in the event of dissolution, and then only as provided in the Certificate of Incorporation

This stock cannot be transferred except with the approval of the Board of Directors. The Board may authorize the transfer of membership stock **only** under the following conditions:

- (a) Upon the death of a member, the surviving spouse, the executor(s) or administrator(s) of the estate of such deceased member or guardian(s) of and/or the trustee(s) for minor dependents of the deceased member may, upon its or their election and notification of the same to the Secretary/Treasurer, continue the membership for the benefit of said minor dependent(s) of said member and also become personally responsible for the dues of said membership.
- (b) Upon the death of a member, leaving a spouse surviving, such spouse shall succeed to the membership of the deceased spouse and shall have all privileges and rights of the membership of the deceased spouse and the stock shall be transferred to the surviving spouse.

Section II Request for Change in Membership

- (a) Requests for any change in membership must be submitted in writing to the Membership Committee. There shall be no transfer fee for any upgrade of membership category. There shall be a transfer fee of \$500.00 assessed with any downward change in membership category.
- (b) Upon the resignation of a Platinum, Junior, Town Club, or Catawba Springs Golf-Family member who is legally separated or divorced, the spouse or former spouse of such member may by submitting a written request and paying the applicable transfer fee have the membership transferred to him/her.

Section III Resignation of Membership and Request for Leave of Absence

- (a) Members may resign as a matter of right at any time by giving notice in writing to the Secretary/Treasurer, who will ascertain that all dues and accounts are paid in full as required prior to the acceptance of the resignation application by the Board. If resignation is received by the Secretary/Treasurer postmarked within ten (10) days following the date of monthly billing,

dues may be waived for that period, but not accounts for Club usage.

- (b) Any former stockholding member who desires readmission to the Club must make application in regular form, including payment of the then, existing charges for Class A Common Stock, and in addition must pay all special assessments levied during the previous five (5) years or any part thereof that the former member's resignation was in effect, unless the charges for Class A Common Stock reflect such assessments.
- (c) Leave of Absence shall not be granted as a matter of right. Members desiring a Leave of Absence must make application in writing to the Chairperson of the Membership Committee, and such application shall set forth reasons justifying the request for Leave of Absence. Justifiable reasons for a Leave of Absence shall be either medical or financial emergency.

The Board of Directors shall review the request for leave of absence and shall approve same, subject to payment of dues and accounts provided in Paragraph (a) of this section, or deny requests at its discretion. In case of a denial of the request for Leave of Absence, the applying member shall be notified by the Board of its reason for denying such application.

Pre- payment of a \$500.00 Leave of Absence fee is required and would be forfeited should the member return prior to the end of the six (6) months, at which time regular billing would ensue. The member may request an extension for an additional six (6) months following the guidelines for the original leave of absence.

- (d) If a leave of absence is requested due to a job loss, the Leave may be determined by the General Manager to be a "Hardship." If the determination is "Hardship," the \$500.00 leave of absence fee will be deferred until the end of the leave of absence. A "Hardship" leave may be extended once for an additional six (6) months. Only one \$500.00 fee will be charged when the membership is reactivated.
- (e) Members on Leave of Absence will be automatically reinstated at the end of the Leave of Absence period and normal dues shall ensue, unless a written extension request is received.

ARTICLE IX - DUES, FEES, ASSESSMENTS AND HOUSE ACCOUNTS

Section Ia Dues, Fees, Assessments, and House Accounts The amount of dues, entrance fees, and assessments, if any, for each class of membership shall be established by resolution of the Board of Directors from time to time. Dues shall be billed in advance and payable monthly on the first of each month. All indebtedness for Club use incurred by members shall be payable on the first of each month after the month in which the same shall have been incurred, at which time a notice of the amount of indebtedness shall be sent to each member.

Section Ib Members whose accounts are unpaid thirty (30) days following the statement billing date shall be assessed a 5% finance charge on the past due balance. Further, such members shall be contacted promptly by the Club staff, and identified to the Finance Committee, which shall be responsible for implementing appropriate collection procedures, and recommending to the Board of

Directors a suspension of credit privileges or such other action as the Finance Committee deems appropriate. The Board may at any time limit or suspend the credit of any member.

Section Ic Any member giving or endorsing a check to the Club, that is not paid upon presentation, will be notified of such non-payment, a penalty of \$32.00 shall be levied and such member shall be subject to suspension, forthwith, by the Club Secretary/Treasurer, without further action, from all Club privileges until the amount of the check and penalty is paid.

Section Id When accounts are paid by mail, the date of payment shall be determined by the postmark date.

Section Ie Dues shall be fixed by the Board of Directors. The Board shall fix the price of the stock or initiation fees and alter the same at its discretion. In any calendar year, the Board of Directors may assess the membership without approval of the membership in any amount not to exceed the then annual dues.

Section II Suspension Nothing contained in the foregoing sections shall be construed as limiting the authority of the Board of Directors to censure, suspend, or expel any member. In the event of an infraction of any By-Law, or rule of the Club, or any conduct on the part of the member or dependent of the member, that may tend to endanger the good order, welfare, or character of the Club, such member may be expelled by a three-fourths (3/4) vote of a quorum of the Board of Directors, provided that a ten (10) day notice in writing shall have been given the offending member, and each member of the Board of Directors of the meeting at which such expulsion shall be considered. Any member so charged with misconduct shall have an opportunity of defending themselves, either in person or by representative, at the meeting of the Board when the charges against them shall be considered.

ARTICLE X- MEETINGS

The Annual Meeting of the Club shall be held on such day between October 1st and November 30th, as the Board of Directors shall from time to time determine, and a notice of the date, hour, and place shall be sent to each member by the Secretary/Treasurer at least thirty (30) days prior to the date so determined.

Special meetings may be called upon twenty (20) days written notice at any time by the Board of Directors and shall be called by the Secretary/Treasurer whenever he/she is formally requested to do so, in writing by ten percent (10%) of the voting members of the Club in good standing over their own signatures.

Notice of special meetings, in all instances, shall distinctly state the objective(s) and the purpose(s) of the meeting, and no business other than that for which it has been called shall be transacted thereat.

A parliamentarian, selected by the Board of Directors, shall be present at all annual or special meetings of stockholders to assure that the meetings are conducted according to Robert's Rules of Order.

ARTICLE XI - EXPULSIONS

The Board of Directors may expel any member whose conduct it may deem endangers the welfare, interest, or character of the Club, provided that the expulsion proceedings are conducted in compliance with the provisions of Article IX, Section II of the By-Laws.

ARTICLE XII - CLUB MANAGEMENT

Section I The general management of the Club may be under the direction of a General Manager who shall be selected by the Board of Directors and who shall receive such compensations and allowances as the Board may authorize from time to time.

Section II All compensation paid the General Manager and other employees and staff of the Club shall be approved by the Board of Directors.

ARTICLE XIII - LIMITATION OF CLUB RESPONSIBILITY

The Club, by resolution of the Board of Directors, may indemnify each and every person against any and all expenses and liabilities incurred by or imposed upon on him/her with any claim, action, suit, or proceedings (whether actual or threatened, brought by or in the right of the Club, or otherwise, civil, criminal, administrative, or investigative, including appeals) to which he/she may be or is made a party by reason of his/her being or having been a Director, officer, or employee of the Club; provided, however, that there shall be no indemnification (i) as to amounts paid in the settlement or other disposition of any threatened or pending action, or in satisfaction of a judgment rendered in an action, by or in the right of the Club, or (ii) as to matters in respect of which it shall be judged in such action, suit or proceeding that such person was liable for negligence or misconduct in the performance of his duty to the Club and, in the case of any criminal action or proceeding, that he/she had reasonable cause to believe that his/her conduct was unlawful.

ARTICLE XIV - FISCAL YEAR

September 1st to August 31st shall constitute the fiscal year.

ARTICLE XV - BY-LAWS

These By-Laws may be amended, altered, or revised and new By-Laws may be adopted by the Board of Directors at any regular or special meeting of the Board of Directors. Provided, however, that such proposed changes shall have been mailed to all members and posted on the bulletin board two (2) weeks before the date of such meeting; and provided further, that such changes are not inconsistent with the Certificate of Incorporation, amendment thereto, or law of the State of North Carolina.

Certificate of Incorporation
Of
Lake Hickory Country Club, Inc.
(Amended November 29, 1966)

This is to certify that we, the undersigned, do hereby associate ourselves into a corporation under and by virtue of the laws of the State of North Carolina for such purpose made and proved, and do severally agree to become members thereof; and to that end do hereby execute this Certificate of Incorporation in manner and form as follows:

Article 1. The name of this corporation is the LAKE HICKORY COUNTRY CLUB, INC., hereinafter referred to as "The Corporation".

Article 2. The location of the principal office of the Corporation is in the City of Hickory, County of Catawba, in the State of North Carolina.

Article 3. The objects and purposes for which this corporation is formed are as follows:

- (a) To promote the games of golf, tennis, bowling and other athletic sports; to provide facilities for swimming and other forms of physical exercise; to construct, maintain and operate golf courses, tennis courts, swimming pools, bowling allies and buildings for other athletic sports for the use of its members and guests, and to provide means and facilities for social intercourse for its members and their guests, to construct and equip club houses and club rooms; and to do all things necessary or incident to the above purposes.
- (b) To buy or acquire, by gift or otherwise, and to hold, own, use, manage, improve, maintain, develop, sell, rent, lease, transfer or exchange real estate and personal property; to construct, alter, repair, enlarge, and improve buildings and other structures; to make investment of its funds, to borrow money, secured by mortgage on its property or otherwise; therefrom as may be directed by the donor, or as the board of directors may determine in the absence of such direction.
- (c) To take such steps and do such things as may be necessary and proper to carry out its general purposes, with all powers now or hereafter conferred by the laws of the State of North Carolina on private corporations.

Article 4. The total authorized capital stock of the corporation shall be five thousand (5,000) shares, of which one thousand five hundred (1,500), shares shall be common stock designated as Class A stock, of the par value of One Hundred Dollars (\$100.00) per share, which shall have voting rights, and thirty-five hundred (3,500) shares shall be common stock designated as Class B stock of the par value of One Hundred Dollars (\$100.00) per share, which shall not have voting rights.

Stock of either Class, not exceeding in the aggregate the amount herein authorized, may from time to time be issued and sold whenever authorized by a majority of all issued and outstanding Class A common stock at a meeting of the stockholders regularly called for that purpose.

No dividends shall be declared or paid on either class of stock and no earnings of the corporation shall accrue to the benefit of any stockholders, except in the event of the dissolution of the corporation, although earnings,

profits and other available funds may be used from time to time to retire outstanding stock of either class whenever authorized by the Directors of the corporation.

In the event of dissolution of the corporation all monies and funds on hand and those received from the liquidation and sale of the Club's properties and assets shall be distributed in the following manner:

First, Class B stockholders shall receive first preference up to the par value of their stock holdings; second, if there are any funds available after paying Class B stockholders up to the par value of their holdings, such funds shall be paid to the holders of A stock on a prorata basis not to exceed the par value of their holdings; third, if additional funds are available after the satisfaction of the two foregoing requirements they shall be distributed on a prorata basis between the holders of the Class B stock.

Class A stock, whenever issued, shall, with relation to Class B stock, have the exclusive right to vote in all meetings of the stockholders.

Class B stock, whenever issued, shall, with relation to Class A stock, have no right to vote in any meetings of the stockholders.

No shares of Class A or Class B stock of this corporation shall be transferred or sold until sale or transfer shall have been reported to the Directors and approved by them, and a statement to this effect shall be included in all certificates of Class A and Class B stock.

Article 5. The number of, terms of office, qualifications and methods of election of the Officers and Directors of the corporation shall be established by the By-Laws and may from time to time be altered by amendment as prescribed in the By-Laws.

The Board of Directors shall have full power and authority, and without the consent of the stockholders, to adopt, amend, and repeal By-Laws governing the admission of members, the rules and regulations to be observed, the resignation or expulsion of members, the election, powers and duties of officers and directors, and all other matters and things usually and legally contained in corporate by-laws and necessary to govern the corporation and to carry out its objects and purposes.

Article 6. The number of shares of stock with which the corporation may organize and begin business are three (3) shares of Class A stock for which the incorporators agree to pay One Hundred Dollars (\$100.00) per share in money or property.

Article 7. The names and Post Office addresses of the subscribers for Class A stock and the number of shares subscribed for by each, the aggregate of which is the amount of capital stock with which the corporation may organize and begin business are as follows:

<u>Name</u>	<u>Address</u>	<u>No. of Shares</u>
V. Garth	Hickory, NC	One
C. Miller	Hickory, NC	One
C. Lutz	Hickory, NC	One

Article 8. The period of existence of this corporation is unlimited.