

HIGHLAND COUNTRY CLUB, INC.

BY-LAWS
GENERAL OPERATING PROCEDURES
AND RULES

REVISED APRIL 2005

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BY-LAWS of The HIGHLAND COUNTRY CLUB, INC.

Article I - PRINCIPAL OFFICE

The corporation is located in Madison County, Illinois and the principal office shall be at Highland, Illinois.

Article II - REGISTERED AGENT

The corporation may designate a registered agent by action of the Board of Directors.

Article III - MEMBERSHIP

Section 1. Maximum Number. The total authorized number of standing Memberships shall be established by a majority vote of the membership in good standing at a general or special meeting.

The current maximum memberships are as follows:

- (a) Regular, Honorary, and Single shall be limited to a combined total of 225.
- (b) Junior - total of 20.
- (c) Honorary - as approved.
- (d) Social - total of 100.
- (e) Pool - total of 25.

Section 2. Persons desiring a membership in the Highland Country Club (Regular or Single Categories) shall be put on a waiting list in the priority of the date of their application except as provided herein. If no openings exist the applicant must become a social or pool member to remain on the waiting list. These applicants may play three rounds of golf per year (with payment of green fees) as social or pool members.

Section 3. In addition to becoming a social or pool member, a new applicant, by an affirmative vote of majority of the members in good standing at a general or special meeting may be required to pay a non-refundable Membership Initiation Fee prior to becoming a member. This Membership Initiation Fee may be paid in installments at the discretion of the Board of Directors.

Section 4. Membership. Each member agrees to abide by the following conditions:

- A. Memberships are non-transferable.
- B. Each member shall pay dues into the Treasury of the Club in an amount fixed annually by resolution of the members upon the recommendation of the Board of Directors which shall be used for the purpose of operating the Club, keep its property in a good condition, making capital improvements and retiring debt. Such sum is due and payable upon billing; however, it may be paid in six equal consecutive monthly installments with the last payment due no later than

8. All persons using the pavilion or campground are responsible for cleanup at the premises.

CAMPGROUND RULES

1. All appropriate classes of members in good standing are entitled to use the campground.
2. Guests must be accompanied by a member of the Highland Country Club.
3. Members are responsible for the safety and instruction of guests both in and out of the campground and must abide by all posted rules at the campground.
4. The cost is \$3.00 per non-member family per day. Members are responsible for guest fees.
5. The pavilion may be reserved by contacting the Clubhouse manager.
6. All beverages consumed at the pavilion or campgrounds must be purchased from the club.
7. All persons using the pavilion or campground are responsible for clean up at the premises.

MOTORIZED GOLF CARTS AND LOCKER POLICIES

1. Cart owners must pay the applicable cart storage fee as determined annually by the Board of Directors.
2. Motorized golf carts must use the cart paths and abide by the signs posted on the course. Including those members carrying special use flags.
3. Applications for leasing storage in the cart storage facility may be made at any time to the Motorized Golf Cart and Locker Chairman. No gasoline or other flammable liquids are to be stored in the cart shed. A trail fee determined by the Board of Directors shall apply to all carts housed off the Highland Country Club grounds.
4. No persons under the age of 16 are allowed to operate a golf cart on the Club premises unless they are under the supervision of an adult members riding with them. The member shall bear full responsibility for any resulting damage.
5. The Board may issue special use flags for members with physical limitations. Members must apply to the Board for such a flag.
6. Applications for renting a locker may be made at any time to the Clubhouse Manager or Locker Chairman.
7. Lockers are assigned on a first come first served basis.
8. Any members in arrears for more than thirty (30) days, for storage fees, cart will be removed from space.

8. Absolutely no glass containers are allowed in the pool area. (Drinking glasses, bottles, and suntan lotion bottles included.)
9. A shower must be taken before entering the pool.
10. Loitering or playing in the shower/dressing rooms will not be permitted.
11. Hair washing is not permitted in the showers.
12. 12. Swimwear only allowed in the pool. No cutoffs or shorts. No swimwear allowed in the Clubhouse unless covered.
13. No running or pushing in the pool area.
14. Use of inner tubes or other floatation devices is permitted only at the discretion of the guard on duty.
15. Guard on duty has the authority to reprimand for misconduct.
16. 16. Closing of the pool due to weather conditions will be the decision of the guard on duty.
17. Any suggestions or complaints should be directed in writing to the appropriate committee or the Board of Directors.
18. These rules may be amended by the affirmative vote of a majority of the full Board of directors.

LAKE AND FISHING RULES

1. All appropriate classes of members in good standing are entitled to use the lake for boating and fishing.
2. Guests must be accompanied by a member of the Highland Country Club. General Operation Procedure No. 1 applies.
3. Guests must be accompanied by a member of the Highland Country Club.
4. Members are responsible for the safety and instruction of guests both in and out of the campground and must abide by all posted rules at campground.
5. The cost is \$3.00 per non-member family per day. Members are responsible for guest fees.
6. The pavilion may be reserved by contacting the Clubhouse Manager.
7. All beverages consumed at the pavilion or campground must be purchased from the club.

September 1 of the applicable dues year. Social and Pool members dues are payable in full on April 1 of each year.

- C. Each member shall be permitted to enjoy, in common with all holders and owners, the use of all property and effects of said Club, and free access to it's Clubhouse and grounds, subject, however to such conditions and restrictions as may be prescribed in the by-laws or other rules of the club.
- D. All prior Membership Certificates, bonds, etc. shall be null and void. Said certificates shall have a value of zero and cannot be used, transferred or redeemed.

Article IV - Member Classifications

There shall be six (6) types of memberships available in the Highland Country Club described as follows (all ages to be determined as of April 1 of that year.

- A. Regular Member. Regular Members, their spouses and unmarried children up to and including the age of 21, shall have full use of all Club facilities subject to those conditions prescribed by the By-Laws and Other Rules of Operation. A regular Member must own a Member Certificate and is entitled to one vote providing he/she is a member in good standing.
- B. Single Member. Single Members shall have full use of the Club facilities subject to those conditions prescribed by the By-Laws and Other Rules of Operation. A single Member must own a Member Certificate and is entitled to one vote providing he/she is in good standing. Single Members have no spouse or dependant children.
- C. Social Member. Social Members, their spouses, and children shall have full use of the Club facilities except the golf course and swimming pool subject to those conditions prescribed by the By-Laws and Other Rules of Operation. A Social Member shall not have the right to vote or hold office.
- D. Pool Member. Pool Members, their spouses, and children shall have the full use of club facilities except the golf course subject to those conditions prescribed by the By-Laws and Other Rules of Operation. A Pool Member shall not have the right to vote or hold office.
- E. Junior Member. Junior Members shall have full use of the Club's facilities subject to those condition prescribed by the By-Laws and Other Rules of Operation. Junior Members shall not have the right to vote or hold office. Junior Members shall not be married nor have dependent children. Junior Members may not invite guests to use the gold course. Junior Members shall be under the age of 19 as of April 1 of the joining upon reaching the age of 19, a Junior Member shall have a priority when applying for a Single membership.
- F. Honorary Member. Those members and their spouses attaining the age of 70 and having been a member in good standing for at least 15 consecutive years shall be eligible upon application for Honorary Membership. Member's dues

for Honorary Members shall be one-half the regular Membership dues. Honorary Members and their spouses shall be entitled to use all club facilities subject to those conditions prescribed by the By-Laws and Other Rules of Operation. An Honorary Member is entitled to one cote providing he/she is a member in good standing.

The membership types may be added or deleted. The attributes of each membership type may be changed by an affirmative vote of a majority of the members in good standing at a general or special membership meeting.

Dependent children of Regular Members, immediately upon becoming eligible, shall have a priority when applying for a Single or Associate Membership.

Article V. – Membership Meetings

Section 1. Semi-Annual Meetings. There will be semi-annual meetings of the membership for the purpose of keeping the members informed of all aspects of the operation of the club. The first meeting of the year will be held on the first Wednesday in April, with the election of the directors being held on the first Wednesday in November.

Section 2. Special Meetings. Special meetings of the membership may be called by the president or by the Secretary or by the Board Of Directors or by not less than one-fifth of all members in good standing entitled to vote at such meetings.

Section 3. Place of Meeting. All meetings of the membership shall be held at the location designated in the Notice of Meetings.

Section 4. Notice of Meetings. Written notice of each meeting of the membership stating the place, day and hour of the meeting and, in case of a special meeting the purpose(s) for which the meeting is called, shall be mailed to each member entitled to vote not less than ten (10) days before the date of the meeting.

Section 5. Quorum. At least one-fourth of the outstanding membership, represented in person or by proxy shall constitute a quorum at such meeting. Every decision of a majority of such quorum with the exception of the election of the Board of Directors shall be valid as a corporate act unless a larger vote is required by these by-laws. Election of the Board of Directors shall be decided by a majority of the members present at such meeting and proxies will not constitute a vote for election of the Board of Directors.

Article VI - THE BOARD OF DIRECTORS

Section 1. General Powers. The Board of Directors shall control and manage the property, affairs, and business of the Corporation subject to the following limitations:

- A. Capital Improvements. Additions, and/or re-arrangements of the building, grounds and personal property of the Corporation, which causes expenditure in excess of \$5,000.00, must be approved by a majority of the members who constitute a quorum at a special meeting of the membership.

7. Players must abide by all signs posted on the Golf Course.
8. No biking, jogging, hunting or non-golf related activities allowed on the golf course with the exception of cross-country skiing or sledding when snow is present and the golf course is closed.
9. Good judgment and common sense are a necessity on the Golf Course. Golfers must score and act in accordance with the rules of the USGA and those local rulings as prescribed by the Highland Country Club scorecard. Such supplementary rules as may be required will be posted on the Club bulletin board.
10. Profane language, unsportsmanlike like conduct and abuse of the course is not allowed. Appropriate golf attire is required. Men's shirts must have sleeves and collars. Women's shirts must not be spaghetti straps or strapless on the premises excluding the swimming pool.
11. Members may invite guests to use the Golf Course subject to the limits as described by Rule No. 1 and Rule No. 2 of the General Operating Procedure.
12. Foursomes have the priority on the Golf Course. All members are encouraged to play in foursomes.
13. The Highland Country Club is a soft spike facility. Metal spikes are not allowed on the Golf Course or in the Clubhouse.
14. Golfers coming off Hole Number 9 have the right to intermix with those waiting on Hole Number 1 tee box, unless tee times are in use.
15. The Board of Directors, by a majority vote of a quorum, may limit the use of the golf course for special events.

SWIMMING POOL RULES

1. These rules apply any time the pool is being used.
2. All appropriate classes of members in good standing and their families are entitled to the use of the swimming pool.
3. Guests must be accompanied by a member of the Highland Country Club or spouse or members children over the age of 16.
4. The payment of guest fees is the responsibility of the member host.
5. Guest fees for swimming are to be paid to the lifeguard on duty.
6. Children 8 years old and younger must be accompanied by a person 16 years of age or older.
7. The "pool area" is defined as the area inside the fence.

5. The Highland Country Club is a soft spike facility. Metal spikes are not allowed in the Clubhouse or on the Golf Course.
6. Hours of operation shall be posted in the Clubhouse and in the HCC Newsletter.
7. Members may reserve the dining room for exclusive use for specific activities. Arrangements must be made with the Clubhouse Manager. Fees for use of facilities shall be determined by the Board of Directors. The Board of Directors may limit the use of any Club facilities for special events.
8. These rules may be amended by affirmative vote of the majority of the full Board of Directors.

GOLF COURSE RULES

1. All appropriate classes of members in good standing and their families are entitled to use the Golf Course except as provided elsewhere in the Golf Course Rules.
2. The period from May 1 through September 30 each year shall be deemed the regular gold season.
3. The following rules shall apply during the regular Golf Season.
 - A. Tournament. Tournament golfers (men and women) shall be given preference at No. 1 tee (and No. 10 tees)
 - B. League. Tuesday night league members shall have exclusive use of the golf course on Tuesday after 4:00 PM on scheduled league dates.
 - C. Men's day – Thursday. Male members, their male guests, and members' male dependents at least 18 years of age have the exclusive use of the gold course after 12:00 noon on Thursdays.
 - D. Ladies' day – Wednesday. Female members, their guests, and members' female dependents at least 18 years of age have exclusive use of the golf course between 8:00 a.m. and 2:00 p.m. as well as between 5:00 p.m. and dusk on Wednesday.
 - E. Junior's Day – Friday. Members' dependents and Junior members under the age of 19, have the exclusive right to the golf course between 8:00 a.m. and 12:00 noon on Fridays.
 - F. Junior Restrictions. Anyone under 16 years of age may not use the gold course between 7:00 and 11:00 a.m. on Saturday, Sunday and holidays. Junior Members may not invite guests to use the Golf course at any time.
4. Children under the age of 10 years of age are prohibited from being on the Golf Course at any time unless accompanied by a person 18 years or older.
5. Non-members wishing to use the Golf Course facilities must be accompanied by a member of the Highland Country Club.
6. To prevent damage to the golf course, the Greens Superintendent has been authorized by the Board of Directors to invoke restrictions regarding use of the golf course at any time. These include prohibiting motorized and/or pull carts, etc.

- B. Annual Dues. The Board of Directors shall recommend a dues and fees schedule for the purpose of operation the Club. Keeping its property in good condition, and retiring capital improvement obligations. Such recommendations shall be at a semi-annual meeting of the membership for their actions.
- C. Assessments. The Board of Directors shall have the power to assess each member a sum no greater than \$150.00 per annum for a special monetary requirement above and beyond the anticipated income of the club or an operating deficit at the end of the fiscal year. Any assessment greater than \$150.00 per annum per members must be approved by a majority of the members who constitute a quorum at a special meeting of the shareholders. Assessments are applicable to only voting members unless specifically voted otherwise by an affirmative vote of the majority of the membership who constitute a quorum at a meeting of the members.
- D. Minimums. All members shall be required to spend a minimum amount for food and beverages inside the Clubhouse each month. This amount to be recommended by the Board of Directors and fixed by an affirmative vote of the majority of the membership who constitute a quorum at a meeting of the members.

Section 2. Election and Term of Office. The Board of Directors shall consist of ten persons, five of which will be elected each year, each of whom must be member in good standing or a spouse of a member in good standing, and they shall be elected by ballot at the annual meeting of the membership of the Corporation. Each director shall hold office for two years and two months until his successor shall have been duly elected.

Section 3. Quorum and Powers of a Majority. A majority of the full Board of Directors shall constitute a quorum for the transaction of business. An act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors

Article VII. – OFFICERS

Section 1. Election. The Board of Direction may elect a President, at least one Vice-President, a Secretary, and a Treasurer who shall be members on the Board and such other officers as the Board may deem necessary, each of whom shall be a member in a good standing entitled to vote.

Section 2. Tenure. The officers above named shall hold their respective offices for the term of one year and until the respective successors shall have been duly elected unless sooner removed by the Board of Directors. The Board may remove an officer when, in judgment of the Board, the Best interests of the Club will be served thereby.

Section 3. The President. The President shall have general supervision, direction and control over the operations of the Club, subject at all times to the order of the Board of Directors. He/She shall preside at each of the meetings of the meetings of the Membership and at each meeting of the Board of Directors. He/She shall be exofficio chairman of all standing meetings.

Section 4. The Vice President. In case of absence, inability to act, or sickness of the President, that Vice President who shall be designated by the Board of Directors shall perform all of the duties of the President.

Section 5. The Secretary. The Secretary shall attend all meetings of the membership and of the Board of Directors or the President have custody of the funds of the Club. Keep such funds in safekeeping and keep full and accurate account of receipts and disbursements in books belonging to the club.

Section 6. The Treasurer. The Treasurer shall under supervision and control at all times of the Board of Directors or the President have custody of the funds of the Club. Keep such funds in safekeeping and keep full and accurate account of receipts and disbursements in books belonging to the Club.

Section 7. Other Appointees. The Board of Directors may create and fill any other offices which they may from time to time prescribe.

Section 8. General Dues. In addition to the specific duties set forth above, the officers elected by the Board of Directors shall perform such other duties as may time to time be prescribed by the Board of Directors or by the President.

Article VII. – DISSOLUTION.

Section 1. The sale, merge, or liquidation of the assets of the Corporation requires the affirmative vote of two-thirds of the members in good standing entitled to vote.

Section 2. The remaining proceeds after satisfaction of all debts and liabilities shall go to each member in good standing and then entitled to vote as of the date of dissolution.

Article IX. – EXPULSION AND DISCIPLINE OF MEMBERS

Section 1. A member is automatically expelled from membership in the Club without action by the Board of Directors when dues or other Club charges are past due more than thirty (30) days. Members with dues or other Club charges past due shall relinquish their status as active members and shall have no right to the use of the Club facilities.

Section 2. The Board of Directors shall have the power upon affirmative vote of two-thirds of all members serving thereon to reprimand, suspend, fine, or expel any member guilty of any violation of the Clubhouse Rules, Lake Rules, Campground Rules, General Operating Procedures, or By-Laws, or for any conduct unbecoming a gentleman or lady or for other good and sufficient cause. Prior to the effective date of said suspension or expulsion, the member shall have thirty days in which to appeal this decision. The appeal shall be made to a committee of five members selected from the membership by the President.

Section 3. Good or sufficient cause, and upon the affirmative vote of two-thirds of members of the Board of Directors, the Board may rescind or delay the automatic expulsion of a member for nonpayment of dues or other Club charges.

Article X. – AMENDMENT OF THE BY-LAWS

These By-Laws may be altered, amended, or repealed at a special or general meeting of the membership, by the affirmative vote of a majority of the members in good standing entitled to vote.

GENERAL OPERATING PROCEDURES

1. Except as provided in the Swimming Pool Rules, no member shall authorize the same guest to use the Club facilities more than 3 times per year unless they reside more than 100 miles away from the Club.
2. The Board of Directors, at its discretion, reserves the right to limit any and all guest use of Club facilities.
3. The annual dues and other Club charges are due within thirty days of their billing. Dues billed on March 1 are due on April 1. Non-payment of any dues and charges will be considered delinquent and interest will be charged.
4. The Clubhouse Rules, Gold Course Rules, Swimming Pool rules, Lake Rules, Campground Rules and the Motorized Gold Cart and Locker Policies may be amended at a general or special membership meeting by the affirmative vote of a majority of a quorum of the members in a good standing.
5. The General Operating Procedure may be amended by the affirmative vote of a majority of a quorum of the members in good standing at a general or special membership meeting.
6. Highland Country Club, Inc. assumes no responsibility for injury, loss or damage to person or private personal property.

CLUBHOUSE RULES

1. All beverages consumed in or on the Club premises must be obtained from the Club.
2. Members shall be liable to the Club for the value of Club property, which shall have been damaged by them or their guests or removed by them from the Clubhouse or grounds. In the event that legal proceeding are required to collect for damages caused, the responsible member shall pay the Club's reasonable attorneys fee's and in assured expenses.
3. Member, guest and employee parking must be in the area provided for that purpose. Do not park in the driveway due to the fire lane.
4. Members may bring guests to all open social functions in accordance with Rule No. 1 and Rules No. 2 of the General Operating Procedure.