

BY-LAWS OF
WILSON COUNTRY CLUB, INC.
ARTICLE I
MEMBERSHIP

Section 1. Classification of Members. Subject to the succeeding sections of this Article, membership in the Club shall be classified as follows:

- a. Resident Membership
- b. Junior Membership
- c. Social/Pool Membership
- d. Single Membership
- e. Senior Membership
- f. Non-Resident-In-State Membership
- g. Non-Resident-Out-of-State Membership
- h. Legacy Membership
- i. Senior Social Membership

The Board of Directors shall determine the classification to which each member belongs, however; the creation of new member classifications shall be a vested right of the membership. The Board of Directors shall determine the initiation fee, dues, and stock purchase requirements for each classification. Subject, however, to the succeeding provisions of these bylaws.

Section 2. Classifications of Membership

- a. Resident Membership includes husband, wife, and dependents up to 21st birthday, as well as dependent children up to age 25 who are full time students.
- b. Junior Membership status shall be assigned to members who are under age 30. Full Club privileges.
- c. Social/Pool Membership will have use of all dining facilities and use of swimming pool. There are no golf or tennis privileges.
- d. Single Membership status shall be assigned to single applicants without dependent children unless such applicant is eligible for Junior Membership classification.
- e. Senior Membership status shall be assigned to applicants over 72 years of age who have been a member for at least 10 continuous years prior to application for membership in this category.
- f. Non-Resident-In-State Membership status shall be assigned to any member living both outside Wilson County and outside any county contiguous to Wilson County. Those members maintaining a residence in Wilson or contiguous counties will not be eligible for non resident membership.

- g. Non-Resident-Out-of-State Membership status shall be assigned to any member living outside of North Carolina for a period of six months and one day.
- h. Legacy Membership status shall be assigned, upon application, to any member that has been a member for 40 years and reaches the age of 80.
- i. Senior Social Membership shall be assigned, upon application, to individuals and their spouse that are at least 72 years of age.

Section 3. All members of the club and their spouses and children, including children attending school or college for at least nine months during the calendar year shall have the full use and privileges of the Club facilities and activities except as otherwise provided by the Board of Directors.

Section 4. The membership of the club shall not exceed 600 general memberships; provided, however, that in the event a person holding a junior membership becomes a general member by reason of attaining age 30, or a single membership by reason of marriage, or a non-resident by reason of residing within the confines of the general membership area, when the membership of the club is full, the general membership of the club may exceed 600 in order to accommodate within the general membership category such change in membership classification. The Board of Directors shall be authorized to limit the membership to below 600 members at their discretion at any time.

Section 5. Children of dues paying stockholders with more than 5 years of continuous membership shall be eligible for membership, provided they are 21 years of age or older, subject to the normal admission process, regardless of the 600 general member limitation.

ARTICLE II STOCKHOLDERS

Section 1. The Annual meeting of the stockholders shall be held in the clubhouse during the month of February of each year at a date and time set by the Board of Directors at its November or December meeting for the election of Directors for the ensuing year and for the transaction of business which may be properly brought before the meeting. Notice of this annual meeting shall be mailed by the secretary to each stockholder at least 30 days before the date of said meeting.

Section 2. Special meetings of the stockholders may be called by the President or a majority of the Board of Directors or a written petition signed by at least 25

members. A written notice of any special meeting stating the purpose for which such meeting has been called as well as the time and place of such meeting shall be mailed by the secretary to each stockholder at least 30 days prior to the meeting.

Section 3. Thirty percent (30%) of the stockholders either present or by proxy shall constitute a quorum at a regular or special meeting.

Each active member regardless of the number of shares of stock owned shall have one vote at any regular or special stockholders meeting.

ARTICLE III BOARD OF DIRECTORS

Section 1. The business affairs of the club shall be directed and controlled by a Board of Directors consisting of 15 persons who are stockholders or spouses of stockholders and also members of the Wilson Country Club, Inc. In addition, the Immediate Past President of the club shall be ex-officio, a non-voting member of the Board. At each annual stockholders' meeting five (5) Directors shall be elected to serve for a period of three years. No Director may be re-elected or appointed to the Board until a period of one year has expired. Prior to the annual meeting a minimum of ten qualified stockholder members or spouses of stockholder members shall be nominated by a nominating committee appointed by the President and approved by the Board of Directors. The Board of Directors will have the option of adding additional names and then voting to reduce the slate of ten (10) nominees. The nominations shall be sent to the stockholders and posted on the bulletin board in the clubhouse at least 30 days prior to the annual meeting. Stockholder proxies shall be received, opened, and tabulated by our accounting firm.

The proxy cards sent to the stockholders shall contain a space for each stockholder to vote for five nominated directors by writing in their names on the proxy. Stockholders voting by proxy may elect to write in their vote or nominate someone to cast their vote by proxy at the meeting. Those stockholders present at the meeting shall vote by written ballot and all ballots, whether cast by proxy or in person shall be tallied at the meeting by a special committee appointed by the President. No ballot can be counted unless five names are included. The five nominees receiving the highest number of votes shall be elected to the Board for a three year term.

Section 2. A member of the Wilson Country Club Board of Directors will be

replaced after missing three consecutive or four total, unexcused meetings during

the year. A year to constitute March through February. Further, in the event a Director fails to complete his/her election term, such vacancy shall be filled by the President by the appointment of the non-elected nominee receiving the highest number of votes in the most recent past election to fill the unexpired term. In the event of multiple vacancies on the Board, the longest unexpired term shall be filled first, the next longest unexpired term shall be next filled by the non-elected nominee receiving the second highest number of votes in the most recent past election, etc.

Section 3. The Board of Directors shall, prior to execution, approve all necessary contracts, leases, deeds and mortgages; fine, suspend or otherwise discipline a member or terminate the membership of a member as hereinafter set out; make rules and regulations governing the conduct of the members, fill all vacancies among the Officers of the club as hereinafter provided; and approve, in December of each year, the final budget of the club for the next calendar year.

Section 4. A regular meeting of the Board of Directors shall be held each month and a special meeting may be called by the President or any member of the Board of Directors by giving three days notice to the Board members. A majority of the Board shall constitute a quorum at any meeting.

ARTICLE IV OFFICERS

Section 1. The officers of the club shall consist of a President, a Vice-President, a Secretary, and a Treasurer.

Section 2. The officers shall be elected annually by the Board of Directors at its first meeting after the annual stockholders meeting in February of each year.

Section 3. The President shall be elected from the general membership (to include members of the Board of Directors) to serve a term of one year and shall be eligible to serve a second consecutive term of one year but may not thereafter serve as President until at least one year has elapsed. The duties of the President are to preside at all meetings of the stockholders, Board of Directors and the Executive Committee; to enforce all rules and regulations of the club; to appoint all committees; to have general supervision and control of the club and its management; and to perform such other duties as the Board may assign him.

Section 4. The Executive Committee will under no circumstances be less than

seven members. If an Executive Committee member resigns, then the Board of Directors will elect a new member. The President, Past President, Vice-President, Secretary, Treasurer and two elected Board members shall constitute the Executive Committee, in which shall be vested the management of the club, subject to the direction and control of the Board of Directors.

The Executive Committee, with the approval of the Board of Directors, shall: be responsible for the hiring of the General Manager; have the power to designate the functions, duties and responsibilities of the General Manager; be responsible for the submission to the Board in November of each year a tentative budget for the next calendar year, such tentative budget to include all items not proposed by a duly constituted committee; and shall control the expenditure of all budget items.

Section 5. The Vice-President shall be elected from the members of the Board of Directors and shall, in the absence of the President, perform the duties of that office.

Section 6. The duties of the Secretary are to keep the minutes of meetings and records of the Board of Directors; to conduct correspondence of the club; and to issue all notices to members relating to the business of the club. The Secretary is to be a Board member.

Section 7. The duties of the Treasurer are to have charge of all monies of the club and to keep all accounts, pay all bills and keep proper vouchers of all sums disbursed; and at the annual meeting file a written report of operations for the year. The Treasurer, with the approval of the Board of Directors, may appoint a designee to carry out any or all of his assigned functions. The Treasurer is to be a Board member.

Section 8. No officer or agent of the club shall have the power to incur any debt or liability in the name of the club or bind it by any instrument for the payment of money or otherwise, except for such normal operating expenses as shall be authorized by the General Manager, unless duly budgeted and authorized by appropriate resolution of the Board of Directors.

ARTICLE V ELECTION OF MEMBERS

Section 1. Membership in the club shall be by invitation only. A request that an

invitation to membership must be made by two members in good standing and the proposed member must be known by at least one member of the Board of Directors.

The Membership Committee shall receive all invitations for membership, investigate such invitations with a view to determine their fitness or suitability for membership, and make its recommendations to the Board of Directors.

The candidates name shall be posted for a minimum of ten (10) days to membership.

There must be a quorum present of the Wilson Country Club Board of Directors before a candidate is considered for membership. For an applicant to be accepted in the Wilson Country Club, the applicant must receive at least $\frac{3}{4}$ of the votes for acceptance from the Wilson Country Club Board members present. In the event the applicant so voted on fails election, the Secretary of the club shall notify the sponsors.

The Board of Directors shall thereafter by secret ballot pass on each application.

Each applicant, upon affirmative vote, shall be placed by the General Manager or Secretary, upon a list of persons awaiting admittance to membership in the order of receipt of such application and shall be admitted to membership as positions become available. Available membership positions shall be filled by choosing from such waiting list the applicant next in line for admission.

All applicants for membership shall be considered by the Membership Committee and by the Board of Directors on the basis of their compatibility with the then existing membership of the club taking into consideration the applicants ability to adapt socially, morally, and attained the age of 21.

Section 2. When an applicant has been approved for membership in the manner herein provided but fails to exercise his option to become a member within one month after his admission to membership, his application will be deemed withdrawn.

ARTICLE VI FEES, RENTS, ASSESSMENTS, DUES

Section 1. Initiation fees, stock purchase requirements, dues, locker rents, cart

fees, assessments, finance charges, and all other fees shall be set by the Board of Directors and reviewed as necessary.

Section 2. A person joining the club who possesses a share of Common Stock belonging to the old series shall receive a credit of \$150.00 toward his initiation fees upon submission of the stock certificate to the club Treasurer for redemption. If he possesses a stock certificate of the Class A Common Stock, new series, with enough shares to equal the required shares for the category of membership for which application is being made, no additional stock purchase will be required provided that the initiation fees for the particular category of membership applied for must be paid. This section shall not change the rights of the original owners of common stock, old series, issued from 1948, who are entitled to join one time

on such certificate without paying any initiation fee; provided that each such application is approved by the Membership Committee and Board of Directors. The names of such owners and certificate owners are duly listed in the minutes of the Directors' meeting held on October 25, 1955.

Section 3. All indebtedness incurred in any month is due and payable fifteen (15) days after notice thereof is posted to the member.

Accounts thirty (30) days in arrears shall incur a finance charge of one and one-half percent (1 ½%).

Section 4. Stock certificates shall not be transferable. The Board of Directors may, in its discretion, make surrender refunds as it determines is proper to resigning members.

ARTICLE VII PAST DUE ACCOUNTS

Section 1. Any member sixty (60) days in default in the payment of dues and/or accounts due the club shall be automatically suspended from all privileges of membership. If, after notice, such default is not cured within ten days, such member's name shall be posted to club membership with amount of the arrearage. If default is not cured within a total period of ninety (90) days, the membership of such member shall automatically cease and terminate.

The Board of Directors may, upon the showing of sufficient cause, restore such defaulted member to membership upon payment of a reinstatement fee equal to 25% of the then prevailing initiation fee for general membership.

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ARTICLE VII DISCIPLINE AND DISMISSAL

Section 1. The Board of Directors may, by a three-fourths majority vote of those Board members present at a regularly scheduled meeting, impose a fine, suspend membership privileges, or take other appropriate disciplinary action against any member or dependent of such member for violation of any provision of the club bylaws (other than those provisions for payment of dues as set out in Article VII) or duly promulgated club rule or for engaging in conduct which, in the opinion of the required majority of the Board, is improper or prejudicial to the best interest and character of the club. Prior to the implementation of such sanction or disciplinary action, however, the affected member or dependent must be given

reasonable prior notice of the offense charged and an opportunity to be heard in his own defense at the meeting at which disciplinary action is proposed. Notice of such disciplinary action shall be transmitted in writing to the member and the subsequent failure or refusal of the member to abide by the action of the Board and correct same shall result in the institution of dismissal proceedings as provided in the succeeding section.

Section 2. Any three members may present to the Board of Directors written charges subscribed by themselves against any other member, asking for the dismissal of such member from the club. If it shall appear to the Board of Directors, upon inquiry and after notice given to the person charged and an opportunity given him to be heard in his defense, that his conduct has endangered or is likely to endanger the good order, welfare or charter of the club, or is at variance with the requirements of the character and bylaws, or that his conduct has been such as to render him undesirable as a member of the club, the Board of Directors by a three-fourths majority vote of those Board members present may suspend such person or declare his membership forfeited.

ARTICLE IX SPECIAL CONDITIONS

Section 1. Corporations

Corporations may not have memberships. Employees of corporations or like business may purchase membership on an individual basis subject to Board approval.

Section 2. Transfer of Classification

Any member desiring to change his/her membership classification may do so by applying to the Board of Directors and paying the difference in the two initiation

fees required for that membership. Should a member desire to decrease his/her classification, no refund of initiation fee will be made.

Section 3. Divorced Members

It shall be the policy of Wilson Country Club that when a member in good standing becomes divorced from his/her family, the club membership as required by law belongs solely to the stockholder of record at the time membership was acquired.

All charges made during separation period to final divorce will be the responsibility of the membership holder until other arrangements are made by membership holder with the Board of Directors.

Membership holder must also be granted approval from the Board of Directors for his/her family to use club facilities on a guest basis only.

The divorced spouse of a membership holder may, upon application within ninety (90) days of the divorce and the purchase of a share of stock, be admitted to membership without paying an initiation fee or obtaining sponsor.

Section 4. Guests

The privileges of the club may be extended to the bonafide guests of any club member, subject, however, to any regulations and fees adopted and approved by the Board of Directors regarding guest privileges. In all events, however, each member shall be responsible to the club for the conduct and obligations of his guests.

ARTICLE X COMMITTEES

Section 1. There shall be the following standing committees:

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| 1. House Committee | 5. Finance Committee |
| 2. Pool Committee | 6. Tennis Committee |
| 3. Greens Committee | 7. Membership Committee |
| 4. Golf Rules & Tournament | 8. Insurance Committee |

Each committee shall consist of a chairman and at least four additional members appointed by the President with the approval of the Board of Directors. The chairman of each operating committee shall be a member of the Board of

Directors. Each standing committee shall function according to an organization manual adopted by the Board of Directors and shall meet at least once per month (except the Pool Committee which shall meet each month during its operation and at least one month prior to going into operation and one month after the

close of operation) and shall submit a report of its actions to the next regular meeting of the Board of Directors. These eight committees shall include the General Manager in their meetings and work through him in directing and carrying out their activities.

A member shall be limited to three consecutive years of participation on any one committee. Then a year off the committee before they can be reappointed. Subject however to a member becoming a director, then the off year may be postponed until such member is no longer a director.

Such other committees as the President may designate may be appointed by the President, subject to the approval of the Board of Directors.

Standing committees shall be structured to counsel the Board in discharging its responsibilities:

1. Preserving and protecting the capital resources of the club;
2. Identifying services desired by the membership and management's response thereto;
3. Reviewing the operational efficiency and economic performance of management; and
4. Planning for the club's long-term services to the memberships.

They shall make and publish, subject to the approval of the Board, such rules and regulations as it deems proper for the control, management and direction of the club activities under its charge; and shall maintain written minutes of the actions taken at its meetings. All rules and regulations promulgated by the various committees, and approved by the Board, shall be permanently posted in the clubhouse and a copy thereof kept available in the main office.

Section 2. The house committee, working with General Manager, shall be responsible for the management and upkeep of the clubhouse and the area immediately adjacent to the clubhouse. It is charged with the duties of maintaining order and seeing that the rules and regulations of the club, with reference to the use of the clubhouse, are strictly enforced. It shall review and revise the house rules as necessary, subject to the approval of the Board of Directors, and make them available to all members. It may appoint sub-committees if it sees fit for entertainment, decorations of the interior of the club,

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Ladies Day events, and other such activities as may be desirable. The house committee shall be responsible for the operation of the dining room and kitchen.

Section 3. The pool committee, working with the General Manager, shall hire a pool manager as a lifeguard and manager of the pool and the necessary assistants for operating the pool during the summer months as determined by the

committee. It is responsible for writing and revising swimming pool rules, subject to the approval of the Board of Directors, and maintaining order and seeing that the rules and regulations of the pool are strictly enforced. It is responsible for organizing and promoting such events as to encourage the use of the pool and make it more enjoyable to the members.

Section 4. The greens committee, working with the General Manager, and subject to the approval of the Board of Directors, shall employ a greens superintendent to supervise the operation and maintenance of the golf course and the personnel, equipment and facilities necessary thereto. The greens superintendent is also charged with the proper maintenance of the grounds of the entire club facility. The greens committee shall cooperate and carry out its assigned duties and responsibilities in such fashion as to allow the golf rules and tournament committee to control the actual use of the golf course.

Section 5. The golf rules and tournament committee, working with the General Manager, and subject to approval of the Board of Directors, shall employ a golf pro for the operation of the pro shop and to direct and plan tournament activities and other golf activities. It shall be responsible for the enforcement of the rules and regulations of the golf course, the pro shop and the locker rooms. It shall make, subject to the approval of the Board of Directors, the rules for the golf course and its various functions and see that the membership is informed and aware of these rules. It shall coordinate its rules with the greens committee. It may appoint such sub-committees as it may deem advisable for the carrying on of various functions with which it is charged.

Section 6. Finance Committee

Purpose: To advise the Board of Directors on all matters of the club. To plan, recommend, and supervise the club's fiscal policies. To study and report on trends that could affect the club and/or its members. To exercise responsible control over any other matters involving the clubs overall financial interests.

Responsibilities: This committee deals primarily with the financial and physical assets of the club. The finance committee considers, acts upon, and submits recommendations to the Board on all matters involving financial affairs,

particularly the club budget. The committee concerns itself with profit and loss, insurance, salaries above a certain level, investments, long term obligations, dues levels, assessments, initiation fees, cash positions, delinquent accounts and all other matters having to do with finances. It also assists the Board of Directors in reporting and communicating the financial status of the club to the general membership. Members of this committee should have backgrounds in general business, banking, law and/or accounting.

Section 7. The tennis committee, working with the General Manager, and subject to approval of the Board of Directors, shall employ a tennis pro for the operation of the tennis shop and to direct and plan tournaments and other tennis activities. It shall be responsible for the enforcement of the rules and regulations of the tennis courts and the tennis shop. It shall make, subject to the approval of the Board of Directors, the rules for the tennis courts and its various functions and

see that the membership is informed and aware of these rules. It may appoint such sub-committees as it may deem advisable for the carrying on of various functions with which it is charged.

Section 8. The membership committee, working with the General Manager, shall receive and review all invitations for membership and report same to the Board of Directors.

Section 9. Insurance Committee

Purpose: To investigate and recommend types and amounts of insurance coverages for the club buildings, its contents, and other physical properties, including liability. To monitor employee health and life insurance to obtain maximum benefit at minimum cost.

Responsibilities: The committee should be constantly alert to changes in insurance laws, policies, or prices that might affect the club and promptly recommend any changes to provide better values or protections. It should assure itself that a schedule of insurance is maintained showing amounts and types carried and reviewed yearly. This committee should assist the finance committee in the preparation of the insurance portion of its budget.

Section 10. Each committee shall meet at the direction of the President to formulate its budget for the following calendar year and shall submit to the finance committee in November of each year its proposed budget. Each committee will monitor the expenditures of its approved budget and may apply to the Board of Directors for approval of changes in its operating or capital expense budget as it deems necessary.

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Section 11. Notwithstanding the preceding sections of this article, the executive committee, with the approval of the Board of Directors, will have the power to modify or change the purpose or function of any committee or new committees may be added as needed.

ARTICLE XII CLUB PROPERTY, INDEMNIFICATIONS & LIABILITY

Section 1. The club shall have the power to indemnify any present or former Director, or Officer with respect to any liability or litigation expense incurred by any such person to the extent and upon the terms and conditions provided by law.

The club shall not be liable or responsible for the loss or damage to, or destruction of the property of any person.

Section 2. Property, equipment, etc., belonging to the club will not be removed from the clubhouse for the private use of any member without the express approval of the General Manager.

ARTICLE XIII INTERPRETATION AND CHANGES

Section 1. The Board of Directors shall have the power and authority to interpret the meaning of any provision of these bylaws.

Section 2. Any section of the bylaws may be amended or repealed and sections may be added hereto by a majority vote of the members entitled to vote with respect to such matter and present at any regular annual meeting or special meeting called for that purpose; provided, however, a copy of such proposed repeal, amendment or addition shall be mailed to the voting members of the club and posted on the club bulletin board by the secretary at least 30 days prior to such meeting. The Board of Directors, either on its own or upon the written request of 25 regular active members, shall initiate any proposed changes to the bylaws.

ARTICLE XIV GENERAL

All rules and regulations, or ordinances in conflict with these bylaws as amended are hereby repealed, and these bylaws as amended this 21st day of February, 1994, shall be printed in booklet form and a copy of the same furnished to all officers and members of the Board of Directors and to any member upon request.

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Amendment per the Board of Directors meeting held on January 21, 2004:

Member Separation/Divorce Policy

Upon legal separation, a separated couple may assume two separate memberships. The original membership shall remain in the name of the member/shareholder to whom membership status was first extended by the Club.

The original member/shareholder shall remain responsible for all dues, assessments, Club charges and all financial responsibilities related to the original membership. The separated spouse not retaining the original membership may notify the Club of their intention to set up a temporary membership which shall be classified as "Member but Separated." The Member but Separated category will allow the separated spouse, during the period of legal separation and through the date of legal divorce and no further, to have full membership privileges except for voting as would be allowed under the original membership. The separated spouse shall be responsible for all dues and food minimums that may be applicable as well as membership charges that may be incurred. The separated members shall notify the Club immediately upon a decree of final divorce as to the termination of this special category.

Upon a decree of final divorce, the divorced couple shall immediately notify Club management as to which member shall retain the original membership. The member not retaining the original membership is then invited to apply for a separate membership; and, upon application, will be admitted immediately into an appropriate membership category. Upon admission, the members name will not be posted in the Club Bulletin as a new member. If minor children are involved, only one of the memberships needs to be in the resident category. The divorced couple must decide between themselves which former spouse will hold the resident membership and which will hold a different membership classification and notify Club management of the same. Under any circumstance, it is the responsibility of the original member/shareholder to notify the Club of a change in marital status.

Amendment per the Board of Directors meeting held on June 16, 2004:

New membership categories added: Legacy and Senior Social.

Amendment per the Board of Directors meeting held on July 21, 2004:

Criteria change for Non Resident In State Membership Category.