

BYLAWS
OF
THE BLUEGRASS HOSPITALITY ASSOCIATION, INC.
(BHA)

ARTICLE I - CORPORATE OFFICES

The registered office of this Corporation in the Commonwealth of Kentucky shall be at the address stated in its Articles of Incorporation but such address may be changed from time to time by the Board of Directors.

This Corporation shall have a principal office and such other offices, either within or without the Commonwealth of Kentucky, as the Board of Directors may designate or the business of this Corporation may require from time to time. The principal office of this Corporation may, but need not, be the same as its registered office and, until otherwise determined, shall be located at 201 East Main Street, Suite 1405, Lexington, Kentucky 40507.

ARTICLE II - MEMBERS

1. Classes of Members. The Corporation shall have one or more classes of members. If there is only one class, the membership shall be limited to regular members as defined herein. There may also be a provision for additional classes of membership such as, but not limited to, associate members and honorary members. The requirements and qualifications for the members in those additional classes to be determined by the BHA Board of Directors. In no event shall any member of a non-voting class be entitled to vote with respect to the management of the Corporation. Nor shall the members of such non-voting classes be entitled to serve on the Board of Directors or Executive Committee.

2. Number of Members Per Establishment. Each individual, partnership, firm or corporation upon (1) approval of their application for membership in the Corporation, and (2) payment of dues, shall be entitled to be a member of the Corporation entitled to one (1) vote at all membership meetings.

3. Lodging Members. Any individual, firm or corporation engaged in the operation of public housing establishments licensed by the Kentucky Cabinet for Health Services, and having a minimum of one (1) rentable room or unit, regardless of whether designated as a hotel, motel, court, inn, lodge, bed and breakfast or otherwise, may apply for membership in this Corporation in the name of the housing establishment with which such applicant is connected. A formal application for membership shall be made in writing and filed with the Secretary of the Corporation.

4. Tourism Supporters. Any private sector individual, partnership, firm or corporation engaged in industry related activities (ex. Lexington Center Corporation, Woodford Reserve Distillery, Avis Rent-a-Car) may apply for membership in this Corporation. A formal application for membership shall be made in writing and filed with the Secretary of the Corporation.

5. Tourism Organizations. Any 501(c)3 organization involved in industry related activities such as Parks, Museums, Public Sector entities (ex. US Equestrian Federation, Aviation Museum of Kentucky, Georgetown Tourist Commission) may apply for membership in this Corporation. A formal application for membership shall be made in writing and filed with the Secretary of the Corporation.

6. Tourism Industry Partners. Any industry related organization (ex. Universities, Tourism Societies) may apply for membership in this Corporation. This is primarily for larger organizations that wish to support the Corporation at a higher level. A formal application for membership shall be made in writing and filed with the Secretary of the Corporation.

7. Founding Members. The founding membership category is comprised of any individual, partnership, firm or corporation that is eligible for membership in the Corporation that wishes to support the Corporation at an elevated level. A founding member pays a one time endowment to the Corporation, thereafter paying annual dues.

8. Allied Members. Any private sector vendor engaged in industry related activities (ex. Printers, AV Companies, Landscapers) may apply for membership in this Corporation. A formal application for membership shall be made in writing and filed with the Secretary of the Corporation.

9. **Restaurant Members.** Any restaurant in the bluegrass area licensed by the state may apply for membership in this Corporation. A formal application for membership shall be made in writing and filed with the Secretary of the Corporation.

10. **Dues Per Member.** Dues are to be reviewed annually by the Board of Directors for possible adjustment (increase or decrease) and invoiced in July of each year. The dues charged each member for its membership in the Corporation shall be derived as follows:

Lodging

Hotel Properties 100 rooms or less	\$100
Hotel Properties 101 - 200 rooms	\$200
Hotel Properties 201 - 300 rooms	\$300
Hotel Properties 301 - 400 rooms	\$400
Hotel Properties 401 - 500 rooms	\$500

Tourism

Tourism Supporters	\$250
Tourism Organizations (501(c)3)	\$100
Tourism Industry Partners	\$1,500

Allied

Allied Members (vendor category)	\$250
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Founding Member

Founding Member	\$5,000
One time gift, \$1,500 each ensuing year to retain membership	

Restaurant Member

1-2 Locations	\$100
3 + Locations	\$250

11. **Termination of Membership.** The Board of Directors by affirmative vote of three-fourths (3/4) of the full Board at a meeting where a quorum is present may suspend or expel a member, (1) for non-payment of dues, or (2) for cause based on membership requirements after an appropriate hearing.

12. **Resignation.** Any member may resign by filing a written resignation with the association Secretary.

13. Transfer of Membership. Membership in this Corporation is not transferable or assignable, except in cases of changes in ownership.

14. Membership Certificates. No membership certificates of the Corporation shall be required.

ARTICLE III - MEETINGS OF MEMBERS

1. Regular Meetings. Regular meetings of the membership shall be held at such times as the Board of Directors designates. An annual meetings schedule will be established at the beginning of each year. At such time, business shall be conducted as properly comes before the meeting.

2. Annual Meeting. The annual meeting of the membership of the Corporation shall be held simultaneously with the regular November meeting of each year. Such meeting shall be set by the Board of Directors. At this meeting, the election of Directors and officers shall take place and such other business may be conducted as may properly come before the meeting.

3. Special Meetings. Special meetings of the membership may be called by the Board of Directors, by the President, or by the holders of not less than twenty-five percent (25%) of the members entitled to vote at such meeting.

4. Place of Meetings. The Board of Directors, or the President, may designate any place either within or without the Commonwealth of Kentucky, as a place of meeting for any annual, regular or special meeting called by the Board of Directors or by the President. The goal will be to alternate the meetings amongst the various member properties capable of hosting said meetings.

A waiver of notice signed by all members entitled to vote at the meeting may designate any place, either within or without the Commonwealth of Kentucky, as the place for the holding of such a meeting. If no designation is made, or if a special meeting be otherwise called, the place of the meeting shall be the principal office of the Corporation, except as otherwise provided in Section 5 of this Article.

5. Notice of Meetings. Written notice stating the place, day and hour of the annual meeting and, in the case of a special meeting, the purposes for which the meeting is called, shall be delivered not less than three (3) nor more than twenty (20) days before the date of the meeting, either personally, by electronic mail, or by mail, by or at the direction of the President, Secretary, the Corporation's

Management Firm or the persons calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at the member's address as it appears on the record books of the Corporation, with postage thereon prepaid.

Oral notice given at the regular meetings or by telephone or electronic mail prior to a regular meeting will be sufficient notice of the regular monthly meetings.

6. Meeting of all Members. If all of the members shall meet at any time and place, either within or without the Commonwealth of Kentucky, and consent to the holding of the meeting, such meeting shall be valid without call or notice and at such meeting any corporate action may be taken.

7. Quorum. 25% of the membership shall constitute a quorum at all meetings of the general membership. Withdrawal of members from any meeting after a quorum has been established shall not cause failure of a duly constituted quorum at that meeting.

8. Proxies. There shall be no provision for voting by proxy, however, an alternative delegate of each member shall be submitted to the Secretary of the Corporation and in the absence of the primary member representing said member, the alternate delegate shall be entitled to cast that vote for that specific property.

9. Voting of Members. Each member entitled to vote shall be entitled to one (1) vote upon each matter submitted to a vote at a meeting of the membership except with regard to the election of Directors as hereinafter provided.

ARTICLE IV - BOARD OF DIRECTORS

1. General Powers. The business and affairs of the Corporation shall be managed by its Board of Directors.

2. Number, Tenure and Qualifications. The Board of Directors of the Corporation shall be made up of twelve (12) members.

The five officers of the Association are (i) the President, (ii) the Secretary, (iii) the Treasurer, (iv) the most immediate Past-President remaining active in the organization, and (v) the President-Elect. The

officers shall be automatically elected as Directors of the Association as each takes office as an officer, and their terms as Directors shall run contemporaneous with their terms as officers.

Starting with the November 2007 elections, four directors shall be elected for a three year term, one director shall be elected for one a year term. Thereafter, all Directors shall be elected for three year terms, thus ensuring four new directors are elected each year. Directors shall serve a maximum of two consecutive terms.

3. Regular Meetings. The regular annual meeting of the Board of Directors shall be held without other notice than this Bylaw, immediately after, and at the same time and place, as the annual meeting of the membership. Regular monthly meetings of the Board of Directors shall be held without other notice than this Bylaw, simultaneously with and at the same place as the regular monthly meetings of the general membership.

The Board of Directors may provide, by resolution, the time and place, either within or without the Commonwealth of Kentucky, for holding of additional regular meetings of the Board without other notice than such resolution.

4. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or a majority of the Board of Directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place, either within or without the Commonwealth of Kentucky, as the place for holding any special meeting of the Board of Directors called by them.

5. Notice. Notice of any special meeting shall be given at least three (3) days previously thereto by written notice delivered personally, via mail, or via electronic mail to each Director at the member's business address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, so addressed, with postage thereon prepaid. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Such notice will relate the business to be transacted and the purpose of such special meeting.

6. Quorum. A majority of the Board of Directors fixed by Section 2 of this Article IV shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

7. Manner of Acting. The 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, unless the act of a greater number is required by statute, these Bylaws, or the Articles of Incorporation.

8. Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining Directors; however, a vacancy created in position held by a Director representing the lodging industry shall be filled by another person from that category from which that Director was elected. A Director or officer elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

9. Compensation. Directors shall not receive any compensation for their services.

10. Executive Committee. The five officers of the Association, being (i) the President, (ii) the Secretary, (iii) the Treasurer, (iv) the most immediate Past-President remaining active in the organization, and (v) the President-Elect, shall constitute the Executive Committee. The Executive Committee shall meet to consider issues and make recommendations to the full Board of Directors. The Executive Committee of the Board is empowered to transact routine and ordinary business of the Corporation, although the Board may review its decisions.

11. Nominating Criteria. The Board of Directors shall adopt, and may thereafter review and make changes to, a Nominating Criteria Policy. The Nominating Committee, when created by the Board, shall use the Nominating Criteria Policy to select prospective board and officer positions. The Policy, however, shall be used by the Nominating Committee as a guide and not as containing mandatory requirements.

ARTICLE V - OFFICERS

1. Number. The officers of the Corporation shall be the President, the Secretary, the Treasurer, the President-Elect and the most immediate Past-President remaining active in the organization.

Officers whose authority and duties are not prescribed in these Bylaws shall have the authority and perform the duties prescribed, from time to time, by the Board of Directors.

2. Election and Term of Office. The officers of the Corporation to be elected by the general membership shall be elected annually to one year terms at the November regular meeting of the membership, said officers then taking office at the conclusion of the same meeting. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as is practical. Each officer shall hold office until the officer's successor shall have been duly elected and shall have qualified or until the member's death, resignation, departure from the employer from which his membership was derived, or removal in a manner hereinafter provided. Election of an officer shall not of itself create contract rights. Officers shall not receive any compensation for their services.

3. Removal. Any officer or agent may be removed by the Board of Directors whenever, in its judgment, the best interests of the Corporation will be served thereby.

4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

5. President. The President shall be the principal executive officer of the Corporation. Subject to the direction and control of the Board of Directors, the President shall be in charge of the business and affairs of the Corporation; the President shall see that the resolutions and directives of the Board of Directors are carried into effect except in those instances in which that responsibility is assigned to some other person by the Board of Directors; and, in general, he/she shall discharge all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors. The President shall preside at all meetings of the members and of the Board of Directors. Except in those instances in which the authority to execute is expressly delegated to another officer or agent or the Corporation or a different mode of execution is expressly described by the Board of Directors or these Bylaws, the President may execute for the Corporation any contracts, deeds, mortgages, bonds, or other instruments which the Board of Directors has authorized to be executed, and he/she may accomplish such execution either under or without the seal of the Corporation and either individually or with the Secretary,

or any other officer thereunto authorized by the Board of Directors, according to the requirements of the form of the instrument.

6. President-Elect. The President-Elect shall assist the President in the discharge of his duties as the President may be direct and shall perform such other duties as from time to time may be assigned to him by the Board of Directors. In the absence of the President or in the event of the President's inability or refusal to act, the President-Elect shall perform the duties of the President and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Except in those instances in which the authority to execute is expressly delegated to another officer or agent of the Corporation or a different mode of execution is expressly prescribed by the Board of Directors or these Bylaws, the President-Elect may execute for the Corporation any contracts, deeds, mortgages, bonds or other instruments which the Board of Directors has authorized to be executed, and may accomplish such execution either under or without the seal of the Corporation and either individually or with the Secretary, or any other officer thereunto authorized by the Board of Directors, according to the requirements of the form of the instrument.

7. Secretary. The Secretary shall record the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of the corporate records and of the seal of the Corporation; keep a register of the post office address of each voting member and alternate voting member which shall be furnished to the Secretary by such member.

8. Treasurer. The Treasurer shall be the principal accounting and financial officer of the Corporation. The Treasurer shall: (a) have charge of and be responsible for the maintenance of adequate books of account for the Corporation; (b) have charge and custody of all funds and securities of the Corporation, and be responsible therefore, and for the receipt and disbursement thereof; and (c) perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the President or by the Board of Directors.

ARTICLE VI – COMMITTEES/TASK FORCES

The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate one or more committees or task forces as provided in said resolution and not restricted by law which committees or task forces shall have the authority and obligations as delegated within the resolution with the ultimate responsibility of the Board of Directors and the general membership. The make-up, term, and rules of the committees or task forces shall be governed by the resolution adopted by the Board of Directors.

ARTICLE VII - CONTRACTS, LOANS CHECKS AND DEPOSITS

1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents, including the Corporation's Management Firm, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or continued to specific instances.

2. Loans. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

3. Check, Drafts, Etc. All checks, drafts, or other orders nor the payment of money, notes or other evidences of indebtedness issued in the name or the Corporation shall be processed and authorized by the contracted Management Firm, unless otherwise designated at the time of contracting.

4. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

5. Gifts. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or device for the general purposes or for any special Corporation.

ARTICLE VIII - BOOKS AND RECORDS

The Corporation may contract at its discretion a Management Firm to keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors, and any members having any of the authority of the Board of Directors, and shall keep at the

registered or principal office a record giving the names and addresses of the members entitled to vote. All books and records of the Corporation may be inspected by any director, or his/her agent or attorney, for any proper purpose at any reasonable time.

ARTICLE IX - FISCAL YEAR

The fiscal year of the Corporation shall begin on the first (1st) day of July and end on the thirtieth day of June in each year.

ARTICLE X - SEAL

The Board of Directors shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Corporation and the state of incorporation and the words "Corporate Seal."

ARTICLE XI - WAIVER OF NOTICE

Whenever any notice whatever is required to be given under the provisions of these Bylaws, or under the provisions of the Articles of Incorporation, or under the provisions of the Kentucky Business Corporation Act, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XII - INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Corporation shall indemnify each of its Directors and officers who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the officer of the Corporation, or is or was serving at the request of the Corporation as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney fees'), judgments, fines and amounts paid in settlement actually and reasonably

incurred by him in connection with such action, suit or proceeding if he acted in good faith and in manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

Except as provided herein below, any such indemnification shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the Director or officer is proper in the circumstances because he has met the applicable standard of conduct set forth above. Such determination shall be made: (a) by the Board of Directors by a majority vote of a quorum of Directors who were or are not parties to such action, suit, or proceeding, or (b) by the members.

Expenses (including attorneys' fees) incurred in defending a civil or criminal action, suit, or proceeding may be paid by the Corporation in advance of the final disposition of such action, or proceeding if authorized by the Board of Directors and upon receipt of an undertaking by or on behalf of the Director or officer to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Corporation.

To the extent that a Director or officer has been successful on the merits or otherwise in defense of any claim issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith, without any further determination that he has met the applicable standard of conduct set forth above.

ARTICLE XIII - AMENDMENTS

The members may alter, amend or repeal the Bylaws at any annual or special meeting of the membership at which a majority of the members of the Corporation is present by the vote of such majority, provided that the notice of such meeting shall have included notice of such proposed amendment. The Board of Directors shall have the power and authority to alter, amend or repeal Bylaws of the Corporation at any regular or special meeting of the Board of Directors at which a quorum is present by the vote of seventy-five percent (75%) of the entire Board of Directors, subject always to the power of the members under Kentucky law to repeal or change such Bylaws. The foregoing Bylaws were

adopted at the Board of Directors' meeting of The Bluegrass Hospitality Association, Inc. on the 26th day of July, 2005.

Amended October 1, 2007