

CUPERTINO HILLS SWIM AND RACQUET CLUB
22090 RAE LANE
~~P.O. BOX 471~~
CUPERTINO, CA 95014

~~December 2006~~ January 2016

BYLAWS OF THE CUPERTINO HILLS SWIM AND RACQUET CLUB

ARTICLE I

NAME AND PURPOSE

Section 1: The name of this corporation is Cupertino Hills Swim and Racquet Club, a nonprofit mutual benefit corporation located in the city of Cupertino, Santa Clara County, California.

Section 2: The purpose of this corporation is to operate a swimming and tennis club in the city of Cupertino and to sponsor community activities and provide creative and cooperative programs which contribute to the educational, social and recreational advancement of its members.

ARTICLE II

~~POWERS AND~~ DIRECTORS AND THEIR ELECTION

Section 1: The powers of this corporation shall be exercised by a board of nine Directors, comprised of Club members in good standing. ~~The nine Directors shall hold office for a term of three years. Three directors shall be elected each year to a three-year term.~~ Members of the Board of Directors may not serve a second consecutive term.

~~Election of Directors shall occur over a three-year period of time as follows:~~

- ~~• 3 Directors will be elected for a three-year term~~
- ~~• 3 Directors will have one year remaining~~
- ~~• 3 Directors will have two years remaining~~

Section 2: Commencing each year ~~prior to~~ in September ~~1st~~, the President of the Club shall appoint a nominating committee composed of three members, which committee shall select nominees for the Director seats to be voted on in ~~the next ensuing the annual~~ membership meeting or by ballot mailed or electronically mailed to the entire membership. Any ten or more members may, in addition thereto, place in nomination the names of one or more members to be voted on for Directors at such meeting, provided that such names are placed in nomination at least ten days prior to the day of the membership meeting or distribution of a ballot to the membership.

Section 3: Election of Directors shall be conducted each year in an annual membership meeting or by mailed or electronically mailed ballot. Election at the annual membership meeting shall be by an affirmative vote of a majority of the members present at a meeting where there is a quorum and where notice of the time and place of such meeting has been given by the Secretary or Club Manager in a mailed and/or electronically mailed printed or written notice of said time and place to each member not less than ten days prior to the date such meeting. Election by a mailed or electronically mailed ballot shall be by a majority of responses in a mailing and/or electronic mailing to the entire membership in which thirty per cent (30%) of the members have responded within a three-week time limit.

~~Five Directors shall constitute a quorum at any and all business. If any Directors should cease to be a Club member or must resign for personal reasons, their office shall become immediately vacant. Such vacancy shall be filled by appointment by the Board. Any Director appointed to fill a vacancy on the Board shall hold office for the remainder of the term of the incumbent whose place they were appointed.~~

~~Section 2: Commencing each year prior to September 1st, the President of the Club shall appoint a nominating committee composed of three members, which committee shall select nominees for the Director seats, to be voted on at the next ensuing membership meeting. Any ten or more members may, in addition thereto, place in nomination the names of one or more members to be voted on for Directors at such meeting, provided that such names are placed in nomination at least ten days prior to the day of the membership meeting.~~

ARTICLE III

POWERS OF DIRECTORS:

Section 1: Five Directors shall constitute a quorum at any and all business meetings of the Board of Directors. If any Director should cease to be a Club member or must resign for personal reasons, his/her~~their~~ office shall become immediately vacant. Such vacancy shall be filled by appointment by the Board. Any Director appointed to fill a vacancy on the Board shall hold office for the remainder of the term of the incumbent in whose place he or she was ~~they were~~ appointed.

Section ~~3~~2: The Board of Directors shall prescribe rules and regulations consistent with the Articles of Incorporation and these Bylaws concerning the conduct and affairs of the Club, the use of the swimming pool, tennis courts, club house and all recreational areas of the Club, which rules shall be binding on the members. The Board shall hold meetings at least 10 times per year, at such exact times and places as it may from time to time establish. The Board shall annually elect from its number a President at the last Board meeting before the annual election of Directors~~membership meeting of the corporation~~. The Board shall annually elect from its number a Vice-President, Secretary and Treasurer. This election shall take place commencing with the first Board meeting of January 1968, and thereafter at the first Board meeting following the annual election of Directors~~membership meeting of the corporation~~.

Section ~~4~~3: The Board shall have full power to elect and remove at pleasure, all the other officers, agents and employees of the corporation, prescribing such duties for them as the Board may determine and fixing their compensation and requiring them security for faithful service. Membership on all committees shall be subject to Board approval. Each committee shall report periodically to the Board.

Section ~~5~~4: In addition to its other powers, the Board of Directors shall have the power to expel any member and forfeit his or her membership, or suspend any member for a continuous period of thirty days, for any willful failure to comply with any of these Bylaws or the rules and regulations of the Club, ~~or any of them, for a continuous period of thirty days~~. In addition to the above, the Board of Directors may expel any member and forfeit his or her membership, or suspend any member, for any conduct which, in the opinion of the Board, is likely to endanger the health, safety, morals or welfare of the Club, which expulsion or suspension shall become effective upon the three-fourths affirmative vote of all members present at any meeting of the membership. Prior to expulsion or suspension of a member, the member shall be given at least fifteen (15) days' prior notice of the proposed expulsion, suspension, or termination and the reasons therefor, and offered the opportunity to be heard, orally or in writing, by the Board of

~~Directors or a committee designated by the board, at least five (5) days before the effective date of the expulsion. The Board may by resolution prescribe reasonable rules for the giving of notice of any such hearing on expulsion by the Board of Directors and by the membership. Notice shall be given by any method reasonably calculated to provide actual notice. and may a~~ At such hearing ~~the Board may~~ prescribe reasonable conditions of reparation for any such offenses, the non-compliance with which would automatically cause expulsion.

Section ~~65~~:

1) Indemnification of the Directors and Officers: The corporation shall, to the maximum extent and in the manner permitted by the code, indemnify each of its Directors and Officers against expenses (as defined in Section 5238 (a) of the Nonprofit Corporation Law), judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with any proceeding (as defined in Section 5238 (a) of the Nonprofit Corporation Law) arising by the reason of the fact that such person is or was an agent of the corporation. For purposes of this section, a "Director" or "Officer" of the corporation includes any person who (I) is or was a director or officer of the corporation, or (II) is or was serving at the request of the corporation as a director or officer of another corporation, partnership, joint venture, trust, or other enterprise.

2) Indemnification of Others: The corporation shall have the power, to the extent and in the manner permitted by the Nonprofit Corporation Law, to indemnify each of its employees and agents (other than Directors and Officers) against expenses (as defined in Section 5238 (a) of the Nonprofit Corporation Law), judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with any proceeding (as defined in Section 5238 (a) of the Nonprofit Corporation Law) arising by reason of the fact that such person is or was an agent of the corporation. For purposes of this section, an "employee" or "agent" of the corporation (other than a Director or Officer) includes any person who (I) is or was an employee or agent of the corporation, or (II) is or was serving at the request of the corporation as an employee or agent of another corporation, partnership, joint venture, trust, or other enterprise.

ARTICLE ~~IV~~
MEMBERSHIP

Section 1: There shall be one class of membership, termed "Family Membership", with the following set forth conditions, definitions, restrictions, rights and privileges. Save as may hereafter be set forth, a member shall not have any right, title or interest in the property or assets of the corporation.

Section 2: A member shall be an adult person of good moral character who, after proper application, has been duly approved as acceptable to membership by the Board of Directors as hereinafter set forth in these Bylaws, and who holds a properly executed and delivered Certificate of membership. Such membership shall entitle the member, his or her spouse, and their unmarried children and all other dependents permanently living at the home of the member, to all privileges of membership. Family membership shall mean the above, and the privileges of the same shall not include any person other than above set forth, save and except that for good cause shown the Board of Directors may, in its absolute discretion, as to any particular family circumstance, extend the privileges of membership to such other person or persons permanently residing in the member's household as it deems advisable or necessary under the circumstances of each particular case.

Section 2a: A family membership can be purchased by a single, divorced or widowed party. If that party has no dependents residing at his or her residence, then the purchaser of the membership will have permanent free guest privileges for one guest at all times.

Section 3: There shall be one vote for each Family Membership.

Section 4: The membership of the Club is hereby limited to 250 family memberships. The same may not be increased except by an amendment to these Bylaws consented to by a ~~majority two-thirds affirmative~~ vote of ~~the members at any regular or special membership meeting at which~~ a quorum of members ~~is~~ present ~~and for which notice has been given as described in Article II Section 2 at a regular or special membership meeting.~~

Section 5: Application for membership shall be in writing on forms approved by the Board. Each application shall constitute an offer to become a member subject to all Bylaws, rules and regulations of the Club as then existing or as modified, adopted, or changed in the future. No application for membership shall be denied on the basis of race, color, creed, religion, ethnic origin, age, sex, or disability. The Board of Directors shall have sole power to act on all applications and acceptability to membership shall be by an affirmative vote of not less than three Directors. Upon a person being voted acceptable to membership, he or she shall thereafter become a member at such time as (1) the transfer of the membership has been approved by the Board in the same manner as defined above for approval of application for membership; (2) the requisite transfer fee plus any Federal Tax has been paid, or provision suitable to the Club Board for such payment; and (3) a membership certificate will be issued when requested by a new member and delivered together with a copy of these Bylaws to such applicant. Said certificate shall be in substantially the following form:

CERTIFICATE OF MEMBERSHIP IN
CUPERTINO HILLS SWIM AND RACQUET CLUB

This is to certify that _____ is the holder of a membership in the CUPERTINO HILLS SWIM AND RACQUET CLUB, a non-profit corporation under the laws of the State of California, which entitles the member, his or her spouse, and their unmarried children and all other dependents residing at the home of said member to all privileges of the Club subject to the Bylaws, rules and regulations of the corporation, with which the above named has agreed to comply. This certificate is transferable only in the manner provided in the Bylaws.

This corporation is not operated for profit.

Dated at Cupertino, California, this ____ day of _____, 20__.

Cupertino Hills Swim and Racquet Club

By _____
President

By _____
Secretary

Section 6: Transfer of membership: No membership can be transferred, voluntarily or involuntarily, not by descent, devise, bequest, inheritance, or operation of law, unless otherwise specifically provided herein, unless and until as a condition precedent to the validity and effectiveness of any such transfer the transferee has been accepted as a member by the Board of Directors as in the case of an original application for a new membership, nor until the payment of all indebtedness to the Club of the member whose membership is being transferred. A transferee of another member's certificate who has been voted acceptable as a member by the Board of Directors shall be issued a new certificate after all the provisions of Section 5 have been complied with except that he or she shall not pay any transfer fee to the Club. The above shall not apply to a transfer from a deceased member to his or her surviving spouse who previously exercised membership privileges under the Family Membership, such death operating as a transfer to such surviving spouse immediately.

Should a member desire to use the Club offices to aid him or her in transferring his membership, the Club Manager shall be notified as to the availability and the asking price of the membership that is for sale. The Club Manager shall make this information available to prospective purchasers of the membership, who alone decide whether or not to purchase a membership to the Club from a specific member.

Section 7: Any member may resign his or her membership at any time. Resignation shall be by endorsing the membership certificate over to the Club, and delivering the same to the Secretary. Upon resignation, expulsion or otherwise ceasing to be a member, any and all interest of such member in and to the property and privileges of the Club shall cease and revert to the corporation, and such resignation, expulsion, or such other cessation of membership shall operate as an unconditional assignment to the corporation of any and all rights, and his or her membership shall immediately become the property of the corporation.

Section 8: Privileges of Membership shall mean the use of all recreational facilities of the Club subject to the rules and regulations as set down from time to time by resolution of the Board of Directors.

Section 9: Notice of any kind required to be given to any member by these Bylaws shall be conclusively deemed to have been given by the depositing of the same in the United States mail in a sealed envelope addressed to the member at the last address given by such member as shown on the record of the Club, with postage fully prepaid. Alternatively, such required notice may also be made by the transmission of an electronic mail message to the member at the last electronic mail address given by such member as shown on the record of the Club.

If the mail address or electronic mail address of any member is not given and shown upon the records of the Club, such member shall be deemed to have waived any notice provided by these Bylaws or rules of said Club.

Section 10: Application for membership in this corporation and Club constitutes a covenant and condition on the part of the applicant that upon his application being acceptable and being issued a certificate of membership, he or she will conform to and abide by these Bylaws and all amendments and changes thereto in every respect and the rules and regulations of the Club as now existing or hereafter adopted.

Section 11: In addition to any and all other rights or remedies of this corporation against a defaulting member, and not as a substitute therefore, this corporation shall have, and is hereby given, a first and preferred lien upon the certificate of membership of every member for any and all indebtedness, dues, fines, assessments, obligations or demands whatsoever, which the corporation may have against the

member holding the same, and in the event of the non-payment of such obligation, the corporation shall have and is hereby given the right and power to foreclose said first preferred lien after thirty days notice by canceling or transferring said certificate of membership as herein provided.

ARTICLE ~~III~~ V
FEES AND DUES

Section 1: Transfer fees for Family Membership shall be such sum or sums as the Board of Directors may from time to time fix and establish by resolution, unless and until this section of the Bylaws shall hereafter be changed or amended.

Section 2: A fee of \$1,000 shall be paid to the Club for any transfer of membership. The Board shall have the right to increase or decrease the transfer fee by no more than ten per cent annually without the affirmative vote of either

(a) A majority of the members present at a meeting where there is a quorum and for which notice has been given as described in Article II Section 2, or

(b) A majority of responses in a mailing and/or electronic mailing in which thirty per cent (30%) of the members have responded within a three-week time limit.

Section 3: Dues of the members shall be the sum of ~~\$64.00~~ 260.00 as of per ~~month~~ quarter (as of ~~FY2004~~ FY2015) per ~~f~~Family Membership or such other sum as the Board of Directors may fix and establish by resolution, save and except that said dues may not be raised in any event more than 10%, per membership per year, without the affirmative vote of a majority of the members present at a meeting ~~or~~ of a quorum of the membership for which notice has been given as described in Article II Section 2, or by a majority of responses in a mailing and/or electronic mailing in which thirty per cent (30%) of the members have responded within a three-week time limit.

Section 4: Dues shall be payable in advance to the Cupertino Hills Swim and Racquet Club, together with any indebtedness incurred. Billing for said dues and indebtedness will be quarterly, beginning March 1 and will be mailed no later than the 5th of the billing month. Any balance remaining unpaid by the 20th of the subsequent month will be considered delinquent. If any member shall not have made full payment within one month after delinquency, such member shall, upon the vote of the Board of Directors, be expelled and cease to be a member of the Club. Upon good cause shown, the Board of Directors, at its sole discretion, shall have the power to restore any such expelled member to the membership, on such condition or conditions as the Board may deem fit and proper under the circumstances.

There shall be paid a 10% per month late charge on all dues and other indebtedness incurred and not paid by the 20th of the next month, which late charge shall automatically be added to the delinquent dues and be subject to the other provisions of this section. After a member has become delinquent, no privileges of membership may be exercised under the member's membership certificate until such default has been cured in full and all dues and indebtedness have been paid up currently.

Section 5: Any special assessment proposed by the Board of Directors must be approved by either (a) an affirmative vote of a majority of the members at a regular or special membership meeting at which a quorum is present and for which notice has been given as described in Article II Section 2, or (b) by a

majority of responses to a mailing and/or electronic mailing to the total membership in which thirty percent (30%) of the members have responded within a three-week time limit.

Section ~~56~~: Other than above set forth, there shall be no assessments against members or membership certificates. These Bylaws may not be amended to give the Board of Directors the right to impose any special assessments unless said right is granted by either (a) a two-thirds affirmative vote of the members at any regular or special membership meeting at which a quorum is present and for which notice has been given as described in Article II Section 2, or (b) a two-thirds affirmative vote in response to a mailing and/or electronic mailing to the total membership. In this case, more than thirty per cent (30%) of the total membership must respond within a three-week time limit.

ARTICLE ~~IV~~ VI MEMBERSHIP MEETINGS

Section 1: The Board of Directors may schedule ~~the an~~ annual membership meeting at any convenient time in September in January or as otherwise determined by the board at such location as it may deem appropriate. Notice of the time and place of such meeting shall be given by the Secretary or Club Manager by the mailing of a printed or written notice of said time and place to each member not less than five-ten days prior to the date such meeting, and no further or other notice need be given of such meeting unless ordered by the Board of Directors.

Section 2: Special meetings of the members may be called by the President or five Directors at any time, and the Board must call a special meeting whenever requested to do so in writing over the signature of twenty-five members. Notice of the time, place and object of any such special meetings shall be given by the Secretary or Club Manager by mailing a written notice or printed notice of the time, place and object of such special meeting to each member at least ten days prior to such meeting.

Section 3: Fifty members present at any membership meeting of the Club shall constitute a quorum for the transaction of business there-at. Less than a quorum may adjourn from time to time until a quorum shall be present.

Section 4: A member of the Club in good standing may be represented at any membership meeting by any other member of the Club in good standing upon the execution of a written proxy to that effect duly signed by the absent member and filed with the secretary before or at the time of said meeting. In addition, an absent member in good standing may be represented by his or her spouse without the execution of any proxy, on condition that if both husband and wife are present at a meeting, the vote to be cast shall be by the person who is named as a member in the Family Membership Certificate.

ARTICLE ~~V~~ VII DUTIES OF OFFICERS

Section 1: It shall be the duty of the President to preside at all meetings of the Club and of the Directors; see that the Bylaws and such rules and regulations as may be adopted by the Directors are enforced; call such meetings as are herein provided for to be called by him or her; have a general supervision over the affairs of the Club; and at the annual meeting make a report of the accounts and general concerns of the Club during the previous year. He or she shall be ex-officio member of all committees.

Section 2: In the absence of the President, the Vice-President shall preside at all meetings of the Club and of the Board of Directors and otherwise perform the duties of the President. If both the President and Vice-President shall be absent from any of said meetings, the Secretary shall call the meeting to order, and a temporary Chairperson shall be elected.

Section 3: The Secretary shall keep a record of the proceedings of the Board of Directors. He or she shall conduct the official correspondence of the Club and give all notices required by these Bylaws to be given. ~~He or she shall affix the corporate seal of the Club to such documents as these Bylaws or the Board of Directors may from time to time require of him.~~

Section 4: The Treasurer shall collect all monies due the Club. He or she shall keep books of account showing the financial condition of the Club; shall report on the financial condition of the Club and prepare a proposed budget for the coming year to be presented to the membership for approval at the annual meeting or in a mailing or electronic mailing to the membership; shall receive and deposit within the depository of the Club, all Club monies; shall execute receipts for such monies as are paid to him or her; and perform such other duties as the Board of Directors may from time to time require ~~of him~~. The budget of operating expenses and capital improvements for the Club shall be approved ~~at the annual meeting~~ each year by an affirmative vote of either (a) a majority of the members present at a meeting where there is a quorum and for which notice has been given as described in Article II Section 2, or (b) a majority of responses in a mailing and/or electronic mailing in which thirty per cent (30%) of the members have responded within a three-week time limit.

The budget shall be in effect from January 1 ~~of that year~~ through December 31 ~~of the following year~~ each year. If the budget is not approved ~~at the annual meeting by the membership~~, the Board shall follow the previous year's budget of operating expenses until a new budget is approved.

Section 5: The President and Secretary shall sign all contracts, bonds, and other legal instruments in writing which ~~may shall~~ have been first approved by the Board of Directors. Authorized check signers shall be the president, treasurer, one other director, and the Club Manager. Two signatures shall be secured on all checks for authorized expenditures greater than \$1000. The Club Manager may sign checks for amounts ~~less of no more~~ than \$1,000.00 for expenses approved by the board and may pay recurring bills electronically as authorized by the Board of Directors. ~~For amounts in excess of \$1,000.00, checks may be signed by the President and any other Officer or Director designated by the Board of Directors.~~

Section 6: The Board of Directors is authorized to spend up to 100% of the amount budgeted for capital improvements and operating expenses each year. They can exceed the budget on some line items provided they are under budget on other line items. In addition, the Board may spend up to 10% in excess of the amount budgeted for operating expenses on either capital improvements or operating expenses per year. Any further expenditure requires the approval of either (a) a majority of the members present at a meeting where there is a quorum, or (b) a majority of responses in a mailing and/or electronic mailing in which thirty per cent (30%) of the members have responded within a three-week time limit.

The only exception shall be expenditures necessitated by emergency repairs that are required to maintain normal operation of the Club.

Section 7: Board officers shall return to the Club any records pertinent to their duties upon completion of their terms of office.

ARTICLE ~~VII~~ VIII

GENERAL

Section 1: The terms "Club" and "Corporation" as used in these Bylaws shall be understood to mean "Cupertino Hills Swim and Racquet Club", a California corporation.

Section 2: A bulletin board shall be provided and conspicuously placed on the Club grounds upon which all rules and regulations and general notices required by the Bylaws shall be posted. In addition, the Club’s website at the address “http://www.cupertinohills.org” shall be used to the greatest extent practical for posting notices of interest to members.

ARTICLE ~~VIII~~ IX

DISSOLUTION

Section 1: Upon dissolution or winding up of this corporation, all assets shall be applied first to the payment of all just debts and obligations of this corporation, next to the return of investments to the members thereof, and should any balance remain then the same shall be distributed to such other similarly exempt eleemosynary organization or charity as the Board of Directors shall direct.

ARTICLE ~~VIII~~ X

Section 1: The above Bylaws may be amended from time to time, ~~by the following procedure~~ unless otherwise restricted above, by either (a) a two-thirds affirmative vote of the members at any regular or special membership meeting at which a quorum is present, or (b) a two-thirds affirmative vote in response to a mailing and/or electronic mailing to the total membership. In this case, more than thirty per cent (30%) of the total membership must respond within a three-week time limit.

Secretary

Cupertino Hills Swim and Racquet Club
22090 Rae Lane
Cupertino, CA 95014
(408) 253-3483
<http://www.cupertinohills.org>

Amended bylaws adopted by the membership
(date)