

BYLAWS OF THE AGUA LINDA SWIMMING POOL CORPORATION

ARTICLE 1 - NAME

Section 1. The name of this corporation is AGUA LINDA SWIMMING POOL CORPORATION.

ARTICLE II - PURPOSE

Section 1. The purpose of this corporation is to operate and maintain a swimming pool and attendance facilities for use by members of the corporation, their families, and guests.

ARTICLE III - BOARD OF DIRECTORS

Section 1. The number of Directors shall be no more than nine (9), all of whom shall be in good standing, and shall have their membership dues fully paid for 2 consecutive years prior to being nominated for office, and shall be elected by members in good standing by vote of the general membership at the regular annual meeting of the members of the Corporation to be held in March of each successive year.

Section 2. The Directors shall be elected from members in good standing for regular terms of two (2) years to begin after election at the March General Membership meeting. No person shall hold the same office for a period of longer than two (2) consecutive terms, with the exception of the Treasurer who shall prove to have the qualifications for this position, and shall be eligible for re-election every two years for a period of time to be determined by the membership.

Section 3. In the event a vacancy shall occur on the Board of Directors for any reason other than the expiration of a regular term, then such vacancy(ies) shall be filled by the Directors from the members of the Corporation. The person(s) selected shall hold office until the expiration of the then current term.

Section 4. The Board of Directors shall exercise the following powers:

- (a) To conduct the business of the Corporation: provided that any action taken by the Board of Directors shall be consistent with these Bylaws, as may be amended from time to time.
- (b) To exercise all corporate powers of the Corporation
- (c) To call special meetings of the Directors or members

Section 5. (a) The Corporation shall, to the maximum extent permitted by the California General Corporation Law, indemnify each of its agents against expenses, judgments, fines, settlements, and

other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact any such person is or was an agent of the corporation.

(b) For purposes of this section an agent of the corporation includes any person who is or was a director, officer, employee, or other agent 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, or was a director, officer, employee, or agent of a corporation which was a predecessor corporation of the corporation or of another enterprise at the request of such predecessor corporation.

(c) Legal fees for any action taken against the corporation or its board members will be covered by the corporation.

ARTICLE IV - OFFICERS

Section 1. The Board of Directors of this Corporation may elect, or appoint a President, a Vice President, a Secretary, a Treasurer, and such other officers as it may determine. All officers of this Corporation must be members in good standing and the two (2) primary officers above named must be members of the Board of Directors. Each said officer shall have the authority and duties associated with his office and/or such other duties as the Board shall prescribe.

Section 2. The President shall preside over all meetings of the Corporation and Board of Directors, shall sign all contracts and other instruments which have been first approved by the Board of Directors and, subject to the will of the membership generally direct the affairs of the Corporation. **The President shall be responsible for the hiring and training of lifeguards and other employees as deemed necessary by the corporation.**

Section 3. The Vice President, in the absence, inability, or refusal of the President to act, shall exercise all authority and perform all duties granted to or enjoined upon the President by law, or these Bylaws. **The Vice President shall be responsible for assigning Gate Guard Duty to each member family two times per season, with the exception of the current Board members, Swim Lessons, the Scheduling of Pool Parties,** and such other duties as the Board shall prescribe.

Section 4. The Secretary shall keep a record of all proceedings of the Board of Directors and of the membership, shall serve all notices required by these Bylaws, shall maintain appropriate records of the membership, **including the buying and selling of memberships of the Corporation and maintaining the waiting list of potential members,** shall sign all contracts and other instruments as designated by the Board of Directors.

Section 5. The Treasurer shall effect payments of all obligations; which have first been approved by the Board of Directors. He/she shall make a report of the Corporation's financial standings at each regular meeting of the membership and the Board of Directors, and submit this report in writing to the Secretary to be entered into the minutes. He/she is to maintain a list of all property belonging to the Corporation and to be custodian of all tax papers, insurance papers, permits, etc. He/she will be required to provide all pertinent information regarding the finances of the Corporation, as well as oversee the filing of all Corporation tax data and returns with the proper federal, State and Local authorities.

Section 6. The Nine (9) Directors shall be elected for a term of two years, with the exception of the Treasurer as stated in Article III, Section 2, at the General Membership meeting to be held in, or as close to, the third week of the month of March each year, four (4) or five (5) members must be elected as Directors replacing those who have served for two (2) years.

ARTICLE V - MEETINGS

Section 1. One regular membership meeting of the Corporation shall be held in, or as close as possible to, the third week of March of each year at such date, hour and place as shall be designated by the Board of Directors. The purpose of this meeting is to elect Directors, report on the financial status of the Corporation, assign current years gate guard duty dates and family assignments for opening and closing of the pool, collect any current or delinquent dues, special assessments, or back charges for keys, or prior years missed Gate guard dues owed the Corporation and take care of other business as deemed necessary by the board or requested by the membership. Members will also have the opportunity to exchange keys, and check-up on repairs and maintenance to begin season. At this time, the Board will submit a budget to the membership. The Board is required to budget **10%** of the yearly dues toward a Capital Reserve fund. This Capital Reserve fund would be used only for major capital improvements or repairs to the pool. **“Any use” of this fund must be approved by a quorum of the membership (as defined in Section 3 below) in good standing that are present at the meeting, or in the event of a special meeting to be called a notice of said meeting shall be given at least ten (10) days prior thereto by mail, e-mail, or telephone calls to all members.**

Section 2. Special meetings of the membership may be called by the Board of Directors or by the President, and the President shall call a meeting upon the written request to the President of at least ten percent (10%) of the members in good standing.

A special membership meeting must be called by the President within thirty (30) days after he has received proper written request. This written request shall set forth the purpose of said meeting and only such matters as are referred to in the request shall be considered at the special membership meeting. Notice of the time, place and purpose of the special membership meeting shall be given at least six (6) days prior to the meeting by mail, **e-mail or telephone.**

Section 3. Not less than 1/4 of the membership in good standing must be present at the meeting or represented by proxy in order to constitute a quorum at any meeting of the members, and in the absence of a quorum the meeting shall have no authority except to adjourn until such time as may be deemed proper by the members present.

Section 4. Meetings of the Board of Directors shall be held monthly during the months May through October, and bi-monthly the remaining months. Special meetings shall be called by the President upon the request of any three (3) directors. Notice of any meeting shall be given to each Director by the Secretary, by telephone, mail, or e-mail at least three (3) days prior to the date set for the meeting, except in the case of an emergency as determined by the Board president.

(a) **Meetings of the Board may be held within or outside of California.**

(b) **Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all directors participating in the meeting can hear one another. All such directors shall be deemed to be present in person at the meeting.**

Section 5. A majority of the members of the Board of Directors **shall be present either in person or by telecon** v constitute a quorum for the purpose of any Directors' meeting, and if less than a quorum is present in person, the meeting shall have authority only to adjourn until such time as the Directors present may deem proper.

ARTICLE VI - MEMBERS

Section 1. This Corporation shall be comprised of a membership not to exceed one hundred and ten (110) families. All of the rights and benefits of a membership shall accrue to the immediate family. **The immediate family shall be comprised of the parents/guardians and any children thereof residing at the parent's/guardian's home; which shall include any grandparents that also reside in the member family's home.**

Section 2. Each family membership shall have one (1) vote.

Section 3. The membership may be increased upon the approval of the majority of all members of the Corporation.

Section 4. Membership shall not be subject to attachment or garnishment execution; shall not be an asset of a debtor in the event of bankruptcy or assignment of creditors. Upon any of the foregoing conditions or any other involuntary transfer, membership shall automatically revert to the Corporation, and the former member, his heirs or assigns shall have no right, title or interest therein. However, in the event of the foregoing the Corporation shall pay to the former member, his heirs or assigns, a sum of money not to exceed the average sales price of the last three memberships as determined by the Board of Directors.

Section 5. If a member desires to sell his membership, he must do so subject to approval of the majority of the Board of Directors, and the following requirements must be met:

- (a) A transfer fee of \$50.00, plus a \$25.00 key deposit (2 keys) is to be paid to the Corporation by the buyer at the time of transfer of ownership.
- (b) The Board of Directors are to be advised of the selling price and the Treasurer shall keep a record of all sales and selling prices of memberships sold. A standardized form will be used by those Board members that need to be informed of the transfer, a copy to be kept on file with the Treasurer.
- (c) The original membership certificate and keys must be surrendered at the time of transfer in order for the key deposit to be returned.
- (d) **The sale of the membership shall be subject to the review of the Board of Directors.**
- (e) **The Member Agreement shall be signed upon the purchase of the new membership.**
- (f) **The New Members shall abide by all provisions of the Member Contract which will include the Pool Rules, Regulations and Bylaws.**

- (g) **The membership is not transferable without the completion of the above requirements. Agua Linda Pool Corporation reserves the right to refuse membership to anyone who does not meet the requirements of this section.**

The Board of Directors may, at its discretion may repurchase a membership which is for sale.

Section 6. Upon the death of a member, his membership shall automatically revert to the Corporation and shall not become an asset of the estate. Nevertheless, the Corporation shall pay the representative of the deceased a sum of money equal to the book value of his share as determined by the Treasurer. In the case of membership owned jointly the death of **either owner** shall not prejudice the ownership of the surviving party.

Section 7. A membership in good standing is defined as one that is current with all Corporation obligations.

Section 8.

- (a) An associate member shall have the same privileges as an active member for a specified term and shall be subject to all rules and regulations of the Corporation, including Gate guard duty. An associate member, however, shall have no ownership in the Corporation and no voting privileges.
- (b) Violation of rules and/or regulations shall make the violator's membership subject to cancellation, by action of the Board of Directors, without reimbursement of monies paid the Corporation.
- (c) The combined total of membership, including associated memberships shall not exceed the total authorized membership. Except that should the membership roster be filled to the authorized total and a family wishes to purchase an active membership, the Board of Directors shall have the discretionary power to temporarily increase the authorized total memberships by a maximum of three. This authority may be used only if there are more than three associate memberships on the rolls and shall revert to the maximum authorized total at the expiration of the associate membership year.
- (d) The annual fee for an Associate Membership shall be the annual dues as stated in Article VII, Section I, plus **\$75.00** which shall be payable in advance and shall constitute the entire financial obligation to the Corporation, except any claims the Corporation may have for damage to Corporation property or other negligence. The associate membership year shall run from April 1st until the season closes, as may be determined by the Board of Directors.

ARTICLE VII - DUES AND ASSESSMENTS

Section 1. Dues of the holders or holder of each membership shall not exceed \$350.00 per annum plus taxes as may be placed thereon.

Section 2. Dues shall be payable annually on or before the date of the regular meeting of members, scheduled to be held in March of each year. Dues delinquent more than thirty (30) days are subject to a late charge penalty of \$25.00 per month. Dues that continue to be delinquent for a period of four (4) months, or an accumulated total of \$100.00 in late penalties, will result in the confiscation of that membership. This will not apply to any new memberships issued on a date other than that so fixed for payment, where payment shall be made in advance prior to the acceptance of said membership.

Section 3. All members (excluding Board of Directors) will be given a work assessment annually, in addition to the opening and closing of the pool. Work assessments (Gate guard pool duties (see attached Gate guard duty sheet for an explanation)) can either be worked off before the end of the season (for which dues have been paid), or paid. The annual assessment shall be one hundred dollars (\$100.00). Assessments may be increased by a majority vote of a quorum of the regular members at any regular meeting or at any special meeting called for such purpose.

Section 4. When the dues or other indebtedness of any member shall remain unpaid for a period of thirty (30) days, a written notice shall be sent to such delinquent member, and if such indebtedness has not been paid within thirty (30) days thereafter, then the membership of such delinquent member shall be voided. No monies from the original membership, or any dues or assessments paid will be reimbursed when the membership is voided. Special circumstances may be considered by the Board.

Section 5. No lien, either express or implied, shall attach to the real property owned by a member for nonpayment of any dues or assessments.

Section 6. Dues may be increased, assessments leveled, and initiation fees changed only by a majority vote of a quorum of the regular members at any regular meeting or at any special meeting called for such purpose.

ARTICLE VIII - PRIVILEGES

Section 1. All members of the Corporation shall be entitled to the use of the Corporation's swimming pool, playground, and other facilities, subject only to these Bylaws, and to the rules established by the Board of Directors.

Section 2. The Board of Directors shall establish rules governing the participation by members. The Board shall also determine whether or not guests of members may use the Corporation's facilities and shall establish rules pertaining thereto (see attached Rules of Pool Use).

ARTICLE IX - RESIGNATIONS, SUSPENSIONS AND EXPULSIONS

Section 1. Whenever a regular member shall have ceased to be the owner of a membership for any cause, he shall thereon cease to be a member of the Corporation.

Section 2. Any member may be expelled by a two-thirds (2/3) vote of the Board of Directors for any act of misconduct deemed by the Board of Directors to be detrimental to the best interest of the organization; provided that the Board of Directors shall offer the subject member reasonable notice in writing and an opportunity to be heard before the Board of Directors before any action is taken by the Board of Directors. In the event of such expulsion, the expelled member shall receive a sum of money not to exceed the average sales price of the last three memberships as determined by the Board of

Directors, less legal fees, or other expenses required to carry out the action, and amounts due the Corporation provided that the original membership certificate and keys are surrendered.

Section 3. Resignations must be presented in writing and no membership shall be permitted to resign when in arrears to the Corporation for dues, including those for the current month or for any other charges.

ARTICLE X - SEAL

Section 1. The seal of the Corporation shall consist of two (2) circles between which shall appear the words, "Agua Linda Swimming Corporation", and in the center thereof shall be inscribed the word, "California".

Section 2. The seal shall be affixed to all of the Corporation's conveyances and other contracts, and all membership certificates.

ARTICLE XI

Section 1. Upon dissolution of the Corporation or upon expiration of its corporate charter, if the same has not been renewed in accordance with the laws of the State of California, the board of Directors at the date of such dissolution shall divide all assets of the Corporation equally among the members in good standing on that date; subject only to contractual obligations.

Section 2. Should the Corporation dispose of all of its properties and assets then the same shall be dissolved under the laws of the State of California.

ARTICLE XI – DISCRETIONARY SPENDING

Section 1. The board of directors shall have the discretion of spending not more than \$1,500.00 per transaction for emergency maintenance only. Any transaction in excess of this amount must be brought before the General Membership for a vote either by e-mail, snail mail, or by calling an emergency meeting of the membership. Any spending of the available GENERAL FUNDS must be approved by a quorum of the membership (as defined in Section 3 above) in good standing that are present at the meeting, or in the event of a special meeting to be called a notice of said meeting shall be given at least six (6) days prior thereto by mail, or e-mail.

ARTICLE XII - AMENDMENTS

Section 1. These Bylaws may be amended or changed at any regular membership meeting or at a duly called special meeting by a vote of two-thirds (2/3) of the members present; provided that the proposed amendment of the Bylaws shall be presented in writing mailed to each member at address of record at least twenty (20) days prior to the meeting and shall set forth the portion of the Bylaws to be amended and the proposed amendment.

ARTICLE XIII – CAPITAL EXPEDITURES

Section 1 – The Board of Directors shall have the authority to make all necessary, and required, capital improvements to the pool and the grounds with costs not to exceed \$1,000.00 per project. Improvements exceeding that cost shall be brought to the membership for approval. Approval shall constitute a quorum of the regular membership present at the meeting.