

BY-LAWS

of the

FAIRBRAE SWIM & RACQUET CLUB

A Non-Profit Corporation

September 2021

AMENDMENTS

Section 4.1 amended March 2, 2015
Section 2.2.1 added October 10, 2016
Section 2.5 amended October 10, 2016
Section 2.7.1 added October 10, 2016
Section 2.7.2 added October 10, 2016
Section 2.8.1 added October 10, 2016
Section 3.5.1 added October 10, 2016
Section 3.6 amended October 10, 2016
Section 3.7 added October 10, 2016
Section 4.1.1 added October 10, 2016
Section 6.2.1 added October 10, 2016
Section 6.4.1 added October 10, 2016
Section 6.5.1 added October 10, 2016
Section 7.1 amended October 10, 2016
Section 7.2 added October 10, 2016
Section 7.5.2 added October 10, 2016
Section 7.5.5 added October 10, 2016
Section 9.5.1 added October 10, 2016
Section 10.5.1 added October 10, 2016
Section 2.4 amended March 11, 2021
Section 4.5.3 amended September 1, 2021

ARTICLE I

Description

Section 1.1 Name, Purpose. This organization is a non-profit corporation of the State of California. Its name shall be the Fairbrae Swim & Racquet Club. Its purpose shall be to provide family recreation in the form of whatever athletic and social activities are appropriate to the club facilities and desired by the members.

Section 1.2 Place. The principal place of business and the club facilities are located at 696 Sheraton Drive, City of Sunnyvale, County of Santa Clara, State of California.

ARTICLE II

Board of Directors

Section 2.1 Number. The Board of Directors shall consist of seven members, and a majority of the directors shall constitute a quorum at any meeting.

Section 2.2 Election. The directors shall be elected at the annual meeting of the club membership and shall serve for two years and until their successors are elected. Four directors shall be elected on alternate years, and three directors shall be elected on the succeeding years.

Section 2.2.1 For the avoidance of doubt, an even number of directors shall be elected in even years and an odd number of directors shall be elected in odd years. As an example, four (4) directors shall be elected in 2016, and three (3) directors shall be elected in 2017, and so on.

Section 2.3 Qualification. Directors shall have been members in good standing for not less than eight (8) months prior to their election and may not serve more than two (2) successive terms of office.

Section 2.4 Vacancies. Vacancies shall be filled by appointment of the remaining directors. The Board shall vote on any proposed candidate. Regular voting and quorum rules apply. Such appointees shall serve the remainder of the vacated term. If the appointment is made within the first year of a term, then the appointment shall count as a normal two-year term and the appointee shall be eligible to run for up to one more consecutive term in a regular election. If the appointment is made in the second year of a term, the appointee shall be eligible to run for up to two more consecutive terms in regular elections.

Section 2.5 First Meeting. The first meeting of a new Board of Directors shall be held within thirty (30) days after election of successors, for the purpose of election of officers.

Section 2.6 Authority. The affairs of the corporation shall be managed by its Board of Directors, with full powers except as hereinafter described and as regulated by statute.

Section 2.6.1 The Board of Directors shall not have the power to authorize the sale, transfer or disposition of the property of the club as a whole or substantially as a whole, or to discontinue the use of the club property as a swimming & racquet club, except as provided in Article 10 of these by-laws.

Section 2.6.2 The Board of Directors may, on behalf of the club, incur such indebtedness for the proper purposes of the club as it shall deem necessary or advisable; provided that the aggregate of all indebtedness of the club outstanding at any one time shall not exceed the sum of fifty thousand (\$50,000) dollars. Exception to this amount may be made upon prior approving vote of not less than two-thirds of the regular members.

Section 2.6.3 The Board of Directors may within the limits hereinafter described authorize any officer, or agent, to enter into any contract or execute and deliver any instrument in the name of and behalf of the club. Unless so authorized, no officer, agent, employee, or member shall have authority to bind the club to any contract, or to pledge its credit or use of its facilities.

Section 2.7 Regular Meetings. The Board of Directors shall prescribe the time and place of regular board meetings. Such time and place shall be kept posted on the club bulletin board and other notice of regular meetings is hereby waived. In the event a regular meeting shall be canceled, or time and place altered, notice of change shall be posted on the club bulletin board, and notice of change shall be communicated to the Board of Directors in compliance with the provisions for special meetings.

Section 2.7.1 Notice of the regular board meeting and any updates shall also be provided by electronic means that the club subscribes to (e.g., website, email, social media, etc.) no later than ten (10) days prior to the date of the regular board meeting.

Section 2.7.2 Any director may join a regular board meeting by phone or other electronic means so long as all directors can communicate with one another.

Section 2.8 Special Meetings. Special meetings of the Board of Directors shall be held whenever called by the president, or in his absence or inability to act, by the vice president. Notice of special meetings shall be communicated personally to the directors by the president or his agent no less than five (5) days before the meeting is to be held. Notice of special meetings shall be posted on the club bulletin board.

Section 2.8.1 Notice of the special board meeting and any updates shall also be provided by electronic means that the club subscribes to (e.g., website, email, social media, etc.) no later than five (5) days prior to the date of the special board meeting.

Section 2.8.2 The minutes of any special meeting of directors shall contain an entry showing that due notice of said meetings had been given to all directors, and said entry shall be conclusive evidence that due notice had been given in the manner required by by-laws and by statute.

Section 2.9 Waiver of Notice. The transactions of any meeting and notice thereof, however called or wherever held, are as valid as though held after the regular call and notice, provided a quorum is present and provided the absent directors shall, before or after the meeting, sign a waiver of notice, a consent to hold the meeting, or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 2.10 Adjourned Meetings. Notice of adjourned meetings need not be given if time and place for reconvening are fixed at the meeting adjourned.

Section 2.11 Removal of Directors. Any director whose attendance record, conduct, standing in the club, or performance of duties shall be prejudicial to the best interests or good name of the club or to the proper conduct of the business of the club, may be removed by unanimous vote of the remaining directors or by a vote of the majority of the membership in good standing, at any regular meeting, or special meeting called for that purpose.

Section 2.12 Meeting Attendance. Regular and special meetings of the Board of Directors shall be open to members. Such attendees shall be present as spectators unless otherwise directed by the president. When an open meeting shall be deemed prejudicial to the club or to any member, the president may declare the meeting closed to attendance except by invitation.

Section 2.13 Compensation. No director shall be entitled to receive any compensation for serving as a director or officer.

Section 2.14 Required Votes. The minimum number of votes required for the passage of any measure before the Board shall be four (4).

ARTICLE III

Officers

Section 3.1 Designation. The officers of the corporation shall be a president a vice president, a secretary, a treasurer and such other subordinate officers as the Board of Directors shall establish. The Board of Directors may appoint any individual to such subordinate office.

Section 3.2 Election. The officers shall be elected annually by the Board of Directors from among its members at the first board meeting following annual election of directors.

Section 3.3 Vacancies. An officer vacancy shall be filled from among the remaining directors by appointment of the president; except that the vice president shall succeed to a presidential vacancy until the next election of officers.

Section 3.4 President and Vice President. The president shall preside over the meetings of the members and of the Board of Directors; shall in general supervise and control the business and affairs of the corporation; and may sign and execute in the name of the corporation, deeds, mortgages, bond, or contracts authorized by the Board of Directors. Appointment of committees, or removal of members therefrom, shall be subject to his direction and approval, and he shall be an ex-officio member thereof. The president shall prescribe the duties of the officers and employees of the corporation. The vice president shall act as president in the case of absence of the president, or his inability to serve, and in general perform such other duties as may be assigned by the president, or the Board of Directors, or specified by these by-laws.

Section 3.5 Secretary. The secretary shall keep a full and complete record of the proceedings of the Board of Directors and of the meetings of the members; so that all notices are given as prescribed; be custodian of the corporate records, seal, and membership records, and in general perform such other duties as may be assigned by the president or the Board of Directors, or specified by these by-laws.

Section 3.5.1 The full or complete records of the proceedings may be maintained in written or electronic form and stored in any electronic medium to which the club subscribes and which is readily accessible by any board member.

Section 3.6 Treasurer. The treasurer shall have custody of and be responsible for all funds and securities of the corporation, keeping such funds in whatever place of deposit as shall be designated by the Board of Directors. He shall ensure that the club maintains a regular set of books using normal accounting procedures and shall be responsible for the submission of financial statements to the members and to the Board of Directors when requested by the president. Funds shall be paid out only on the check of the corporation signed by any two of the officers or any officer and the office manager or the office manager with oversight by the treasurer, all of whom shall be bonded. Club records shall be subject to an annual audit. The treasurer shall submit an annual financial report to the Board for distribution to the members.

Section 3.7 Conflict of Interest. All directors shall be expected to serve without any conflicts of interest. Any director who may privately benefit when the club is contemplating a financial transaction must disclose the private benefit to the board and shall not be involved with the financial transaction unless this director's involvement has been approved by a majority vote of the board.

ARTICLE IV

Memberships

Section 4.1 Limitation of Memberships. The club shall be composed of family memberships. The number of family memberships shall be limited to three hundred (300). The Board of Directors shall establish a waiting list for family memberships, and if a person shall apply at a time when there are three hundred (300) members, his or her name shall be placed at the foot of the list.

Section 4.1.1 Limitation of Ownership. No more than one family membership may be owned by one family residing in the same household, as defined under Section 4.2, unless approved by the Board of Directors.

Section 4.2 Family Membership Privileges. Membership rights will be extended to all members of the immediate family of each club member residing in the same household at least six (6) months of the year. Children of a member who reside in an education institution as students shall nevertheless be deemed to reside in the household of the member. Members shall register the names and ages of those family members entitled to club privileges. The Board of Directors shall be empowered to define and approve special cases where a person or persons is or are resident of a household but are not part of the normal parent-child family relationship.

Section 4.3 Classes of Memberships. The corporation shall have the following classes of memberships:

Section 4.3.1 Participating Memberships. Membership rights will be extended to all members of the immediate family residing in the same household. This membership shall carry full voting privileges and be subject to all club dues, fines, and assessments.

Section 4.3.2 Inactive Memberships. On request from a member and with permission from the Board of Directors a member may be declared temporarily inactive. In such status the dues for that membership shall be reduced by one-half, and the right of the member to use the club facilities shall be suspended. Inactive status may be authorized at the discretion of the Board of Directors, but will ordinarily be allowed only in cases where the member and his family are to be absent from Santa Clara County for a period of not less than ninety (90) days.

Section 4.3.3 Suspended Memberships. A suspended member shall not have membership rights to club facilities or functions. He shall, however, be subject to all dues, fines, and assessments.

Section 4.3.4 Special Memberships. The Board of Directors may establish such special classes of membership as it shall deem advisable.

Section 4.4 Qualifications. Subject to the authority of Board of Directors to make exceptions, the following shall determine the qualification of applicants for membership:

Section 4.4.1 Applicants must be financially responsible and of good character.

Section 4.4.2 Applicants shall have been made acquainted with the by-laws and operating rules of the club and shall, upon acceptance of membership, be bound to comply with these by-laws, and such rules and regulations as may be established.

Section 4.5 Sale of Membership. The following conditions shall apply to all membership sales:

- a) A member desiring to sell his membership must make a written request to the Board of Directors to place his membership on the for-sale list.
- b) In the event a member wants to withdraw his membership from the for-sale list a written request should also be made to the Board of Directors.

Section 4.5.1 Memberships may be sold only by the club, and at a price established by the Board of Directors and in effect at the time of the sale, provided the selling member shall approve of the price if it has changed since the membership was submitted for resale.

Section 4.5.2 The Board of Directors shall maintain a list of memberships in the order in which they shall be sold. The memberships shall be entered on the list in order of their priority classification, and within each priority, in order of the date acquired for sale.

Section 4.5.3 First sale priority shall be given to club-owned memberships. Second sale priority shall be given to members in the order in which memberships become available for sale. Exceptions to this priority system shall be made in the case of a selling member who secures and provides to the club a buyer for his membership. In such a case, the club shall sell the member's interest to the aforementioned buyer regardless of priority.

Section 4.5.4 Upon re-sale of a membership, the club shall pay to the former member the price for which the resale was made less fees, taxes and any outstanding indebtedness of the member to the club.

Section 4.5.5 The member shall present his membership certificate to the secretary for cancellation and reissue, and shall pay to the club any established fees, taxes, or accrued unpaid dues.

Section 4.5.6 The Board of Directors may, at their discretion, purchase for the club any membership available for sale.

Section 4.5.7 Until such time a membership is sold the selling party is still a member of the club, and as such, is not released from his liabilities to the club, including monthly dues.

Section 4.6 Rights of Members. Members are in fact shareholders in the corporation, and as such are entitled to a certificate of membership, voting rights, and in general, the right to hold office and the right to share and participate in all benefits which shall accrue to the club. They are, in addition, entitled to share in the assets of the club on dissolution as their interests may appear on a pro rata basis.

Section 4.7 Responsibility of Members. All members are responsible for adherence to the provisions of these by-laws, and such additional rules and regulations as shall be properly established. No member shall be entitled to convey any interest, right, or privilege in the club to any unauthorized person.

Section 4.8 Good Standing. The essence of good standing shall be considered to encompass good conduct and timely payment of dues and indebtedness to the club. In no case shall a member be considered in good standing if his indebtedness exceeds three (3) months dues. Members shall be responsible for their conduct and for that of their respective family members and guests.

Section 4.9 Damage to Club Property. In the event of damage, loss or theft of club property, the Board of Directors shall cause an investigation to determine the monetary value of the loss and the person or persons responsible. If the loss shall have been caused by a member or a guest, the amount shall be billed to the responsible member. Any member so billed shall have the right to be heard by the Board of Directors in closed session provided the member shall submit to the president a written request for such hearing. The decision of the Board of Directors as to the extent of loss and determination of responsibility shall be final.

Section 4.10 Certification of Membership. Certificates of membership shall be nonnegotiable and non-transferable except as herein provided, and may be held only by members. In case any certificate shall become mutilated, stolen, destroyed, lost, wrongfully withheld or canceled by expulsion, the Board of Directors may by resolution invalidate such certificate and cause a new certificate to be issued.

Section 4.11 Death of a Member. Upon the death of a member, the membership shall terminate. The certificate of membership shall be surrendered for cancellation and the club shall pay to the estate of the member the established value of the membership in effect on the date of cancellation, less any indebtedness of the member, and less applicable fees; except that if the membership shall have been jointly held, it shall automatically vest to the surviving holder. In the latter case the membership certificate must be presented to the secretary for cancellation and reissue in the name of the surviving member.

Section 4.12 Suspension or Expulsion of Members. Any member may, after notice and hearing, be suspended or expelled from the club for any violation of bylaws or rules, or for other conduct within the premises deemed by the Board of Directors to be detrimental to the welfare, interest, and character of the club. No member shall be suspended or expelled except after notice and hearing by the Board of Directors. The accused member shall be given written notice of the hearing at least five (5) days prior thereto, setting forth a specification of the charges against him. The decision of the Board of Directors shall be final and conclusive.

Section 4.12.1 Suspension shall be for such period as the Board of Directors may decide, but shall not exceed a period of six (6) weeks from the date of suspension. Suspension shall not release the member from his liability for any indebtedness to the club, including monthly dues during the period of suspension.

Section 4.12.2 An expulsion shall operate as an immediate termination of membership. Any member may be expelled by the Board of Directors for a violation of the by-laws or rules of the club or for other conduct either within or outside the premises of the club, deemed by the Board of Directors to be detrimental to the welfare, interest, or character of the club, or for default for a period of six (6) months in payment of any indebtedness owing to the club. When a member is expelled that membership becomes the property of the club. When the club sells the membership, the expelled member shall receive the proceeds of the sale, less transfer fee and any indebtedness owing to the club, unless the expulsion is for reasons of indebtedness, in which case, the expelled member shall not receive any of the proceeds from the sale.

Section 4.13 Bankruptcy of a Member. A membership shall not be subject to attachment, garnishment, or execution, nor shall it be an asset of the debtor in the event of his bankruptcy, voluntarily, or assignment for the benefit of creditors, or other creditorship proceedings. In the event of any involuntary transfer of membership or voluntary transfer without the written approval of the Board of Directors, the membership shall automatically terminate and revert to the club for re-sale in the manner prescribed by Section 4.5 of these by-laws.

Section 4.14 No member of this corporation shall be personally liable for the debts, liabilities, or obligation of the corporation.

ARTICLE V

Visitors and Guests

Section 5.1 Guest Categories. Guests of the club members shall be divided into the following categories:

Section 5.1.1 Regular Guests. A regular guest shall be defined as any person who is a guest of a proprietary member.

Section 5.1.2 Special Guests. The Board of Directors may establish such guest categories as it may deem advisable.

Section 5.2 Guest Privileges. Any member except a family member under fifteen (15) years of age may invite any person or persons to the club as guests when accompanied by a member. However, no more than ten (10) guests of a member shall be allowed to enter the club area on a given day without prior approval of the Board of Directors. Guest privileges may be revoked by the Board of Directors at any time. A bona fide baby sitter will not be considered as a guest.

Section 5.3 Registration of Guests. A guest registry shall be maintained at the club, and a record of each guest shall be kept therein. The information shall include the name, address, date of visit, type of guest, whether a guest fee is to be charged, and the membership number of the host. Proper registration of guest shall be accomplished at the time of admission to the club.

Section 5.4 Guest Fee. If a guest of a member uses the swimming pools, tennis courts, or other recreational equipment or facilities of the club, a fee will be charged for whatever amount shall have been established by regulation and approved by the Board of Directors. The owner of the membership certificate under which the privileges of the club are extended to any guest shall be responsible for the conduct of and all debts to the club incurred by such guests.

ARTICLE VI

Meetings of Members

Section 6.1 Place of Meeting. All meetings of members shall be held at the club house or at such other place as may be designated by the Board of Directors. All regular members in good standing shall be entitled to attend, participate in and vote at each annual and special meeting of members.

Section 6.2 Annual Meeting. The annual meeting of members for the purpose of election of directors and for the transaction of such other business as may properly come before the meeting shall be held on the second Monday of March of each year at such hour as shall be fixed by the Board of Directors.

Section 6.2.1 Notice of the annual meeting and any updates shall also be provided by electronic means that the club subscribes to (e.g., website, email, social media, etc.) no later than thirty (30) days prior to the date of the annual meeting.

Section 6.3 Special Meeting. Special meetings of members for any purpose may be called at any time by the president, and must be called by the president upon approval of the Board of Directors or upon the written request of at least thirty (30) members in good standing.

Section 6.4 Notice of Meetings. Notice of each meeting of members whether annual or special, shall specify the date, place, and hour as well as the general purpose of the meeting, and shall be given by the secretary at least ten (10) days prior to the date of the meeting by letter or postal card mailed to each member.

Section 6.4.1 Notice of the meeting and any updates shall also be provided by electronic means that the club subscribes to (e.g., website, email, social media, etc.) no later than ten (10) days prior to the date of the meeting.

Section 6.4.2 Except in the case of an adjournment for thirty (30) days or more, no given notice of the time and place of an adjourned meeting need be given at the meeting adjourned.

Section 6.5 Voting. Only members in good standing shall be entitled to vote; and each membership, whether held jointly or individually, shall be entitled to one (1) vote. Voting by proxy shall not be allowed.

Section 6.5.1 In the event that a vote is required by the membership, voting may be done by electronic means such as email or as to be determined by the board.

Section 6.6 Quorum. Presence of the holder or holders of thirty (30) memberships shall constitute a quorum at all general or special meetings except as otherwise expressly provided by these by-laws. In the absence of a quorum any meeting of members may be adjourned by the vote of a majority of the members present.

Section 6.7 Conduct of Meetings. The president or in his absence, the vice president, shall preside at meetings of the members. The secretary of the club shall act as secretary of the meeting, and in the absence of the secretary, the chairman may appoint any member to act as secretary of the meeting. All meetings of this corporation shall be conducted under Robert's Rules of Order, except as otherwise provided herein.

ARTICLE VII

Election of Directors

Section 7.1 Nominating Committee. Between the 1st and 15th days of January of each year, the president may appoint a Nominating Committee consisting of five (5) members, none of whom may be a director. The president may, at the time of such selection, indicate which member of the committee shall act as chairman. Notice of committee and chairman selection may be posted on the club bulletin board. The terms of Section 7.1 may be optionally implemented at the discretion of the board and in the event that this Section 7.1 is implemented, the following Sections 7.1.1 to 7.1.3 shall also apply.

Section 7.1.1 On or before the 15th day of the succeeding February the Nominating Committee shall select the name of nominees for directors to be voted on at the next election and shall give written notice thereof to the president.

Section 7.1.2 The Nominating Committee shall normally meet in closed session and shall carefully consider all recommendations for selection from any member or group of members. In event of failure to agree, the chairman shall promptly notify the president in writing whereupon the president shall appoint a new committee.

Section 7.1.3 The selections of the Nominating Committee shall be known as the "committee ticket" and the ticket so selected shall be posted on the club bulletin board not less than twenty-one (21) days prior to election.

Section 7.2 Self-Nomination. Any member who is in good standing for not less than eight (8) months prior to their nomination may also self-nominate to be a candidate for the Board of Directors. The self-nomination shall be in writing signed by the candidate and filed by the candidate not more than thirty (30) or less than ten (10) days prior to the date of the election meeting. Such writing shall contain a brief sketch of the qualifications of the candidate. Notice of such nomination shall be posted on the club bulletin board.

Section 7.3 Nomination by Members. Ten (10) or more members in good standing may also nominate candidates for the Board of Directors in writing signed by them and filed by them not more than thirty (30) or less than ten (10) days prior to the date of the election meeting. Such writing shall contain a brief sketch of the qualifications of such nominees. Notice of such nomination shall be posted on the club bulletin board.

Section 7.4 Notice of Nominees. Written notice of the nominees together with a brief sketch of the qualification of each nominee and manner of nomination shall be mailed to every member along with the notice of election meeting at least ten (10) days prior to the date of such meeting. In addition such notice shall be posted on the club bulletin board.

Section 7.5 Election Procedure. If the number of persons nominated for director shall not exceed the number of directors to be elected, the secretary may, upon motion duly made, seconded and carried, be directed to cast the ballots in favor of the nominees. If the number of persons nominated shall exceed the number of directors to be elected, the election shall proceed as follows:

Section 7.5.1 Nominees shall be introduced and a sketch of their qualification read to the meeting.

Section 7.5.2 A sketch of the qualifications of the persons nominated shall be forwarded to all members no later than ten (10) days before the date of election.

Section 7.5.3 Election shall be by secret ballot, which shall have been previously prepared by the club secretary. setting forth the names of all candidates in alphabetical order, and stating the manner of

nomination. Conduct of the election shall be in the charge of three inspectors of election who shall be appointed by the president. The decision of a majority of the inspectors shall be final in all respects.

Section 7.5.4 The inspectors of election shall maintain at the election meeting a closed ballot box. In casting a ballot, a member shall sign a registry of voters, which shall have been provided and certified by the secretary. An expiration time shall have been fixed by the Board of Directors, and notice thereof included in the notice of the election meeting. At the appointment time, balloting shall cease and the inspectors of election shall count the ballots and report the results to the secretary. Notice of said results shall be announced in the meeting by the president and shall be placed on the club bulletin board by the secretary.

Section 7.5.5 Voting can include electronic means to be determined at the time of the election by the board.

Section 7.5.6 Each membership in good standing shall be entitled to one (1) vote for each director to be elected.

ARTICLE VIII

Committees

Section 8.1 Committees. Committees shall be established by the Board of Directors as it deems necessary. Each committee shall have responsibility in all matters suggested by its title and delegated to it by the Board of Directors.

Section 8.1.1 Membership. Committee membership shall be restricted to members in good standing.

Section 8.1.2 Committee Records. Each committee shall keep minutes of each meeting and deliver one legible copy of said minutes to the board secretary.

Section 8.2. Board Responsibility. No business of the committees shall become official policy of the club until such business has been approved by the Board of Directors.

ARTICLE IX

Fees, Dues, Assessments

Section 9.1 Membership Price. The price of ownership of a membership shall be established by the Board of Directors.

Section 9.2 Membership Transfer Fee. Upon sale of a membership, the old member shall pay to the club a fee to cover the administrative costs thereof. Such fee shall be determined by the Board of Directors.

Section 9.3 Dues. The Board of Directors shall determine the amount of monthly dues to be paid by each member. Such amount shall be consistent with the current and projected operating and maintenance costs of the club.

Section 9.4 Assessments. No assessment in addition to dues, membership price and transfer fees, shall be levied upon any member at any time unless such assessment shall have been approved by the vote or written consent of not less than two-thirds of the membership in good standing.

Section 9.5 Payment of Dues, Delinquency Fees and Indebtedness. The monthly dues shall be payable in advance to the club, together with any indebtedness (including delinquency fees, as determined by the Board of Directors, on any unpaid balance) incurred during the previous months. Members shall be responsible for indebtedness incurred by their respective family members and guests.

Section 9.5.1 Any delinquency fees shall be proposed by the manager and approved by a majority vote of the board.

ARTICLE X

Miscellaneous Provisions

Section 10.1 Sale as a Whole. The property of the club shall not be sold or transferred as a whole or substantially as a whole, nor shall use of the property as a swimming and racquet club be discontinued except upon prior authorization of at least two-thirds of the members in good standing, given by vote at a special meeting called for that purpose.

Section 10.2 Dissolution. The club shall not be voluntarily dissolved except by the prior approving vote of at least two-thirds of the members, in good standing, at a special meeting called for that purpose.

Section 10.3 Disposition of Assets. In the event of dissolution of the club in any manner and for any cause, the assets of the club remaining after the payment or adequate provision for payment of all the club debts and liabilities, shall be divided and distributed pro rata among the members upon surrender for cancellation of their respective membership certificates. All indebtedness to the club of any such member shall be first deducted from his pro rata share.

Section 10.4 Fiscal Year. The fiscal year of the club shall end on December 31st of each year.

Section 10.5 Bulletin Board. A bulletin board shall be provided and conspicuously placed on the club property, and all notice required by these by-laws to be posted shall be placed thereon.

Section 10.5.1 The bulletin board, as used herein, shall also include any electronic means as subscribed to by the club.

Section 10.6 Amendments. These bylaws may be adopted, amended, or replaced by the vote or written consent of the members, or of the Board of Directors, except as limited by applicable laws of the State of California, and by the following provisions:

Section 10.6.1 The Board of Directors shall not have the authority to adopt, amend or repeal Articles I, II, III, IV, VI, VII, IX, or X.

Section 10.6.2 Action to adopt, amend, or repeal these bylaws by vote or written consent of the members may be initiated by the Board of Directors, or by a writing signed and filed with the secretary by thirty (30) or more members.

Section 10.6.3 The number of votes required for amendment or repeal of these bylaws by the members shall be a majority of the votes cast but not less than seventy-five (75) in favor of amendment or repeal.