

CONSTITUTION AND BYLAWS OF THE  
NORTHERN HILLS NEIGHBORHOOD SWIM CLUB

ARTICLE I: PURPOSE

- Section 1: Name: The association name shall be Northern Hills Neighborhood Swim Club.
- Section 2: Location: The domicile and place of business of the club shall be in San Antonio, Bexar County, Texas.
- Section 3: Purpose: The club is organized exclusively for charitable, religious, educational, and scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c) of the Internal Revenue Code, or the corresponding section of any future federal tax code. The purpose of the club is to maintain an office and operate facilities for swimming, instruction and competitive activities for children.
- Section 4: Revenues: No part of the net earnings of the club shall inure to the benefit of, or be distributable to its directors, officers or other private persons, except that the club shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Section Three hereof. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the club shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these articles, the club shall not carry on any other activities not permitted to be carried on (a) by an association exempt from federal income tax under section 501(c) of the Internal Revenue Code, or the corresponding section of any future federal cone, or (b) by a cooperation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code. All revenues from every source shall be used for the purpose of leasing, purchasing and operating the property and facilities of the club and their repair, maintenance, and improvement, and for such other charitable purposes as the Board of Directors may direct.

ARTICLE II: DEFINITIONS

- Section 1: "Association" shall mean and refer to Northern Hills Neighborhood Swim club.
- Section 2: "Properties" shall mean and refer to that real property within the boundaries of the area bordered by Loop 1604, Jones Maltsberger, Starcrest/Bitters/Wurzbach Expressway/O'Connor Roads and I-35. The Board of Directors shall have the

authority and discretion to consider and either approve or reject any application for membership submitted by a person who does not reside within the property described above.

- Section 3: The “common area” shall mean and refer to all real property leased or owned by the club for the common use and enjoyment of the owners of the club and such real property as may be added by the club in the future.
- Section 4: “Lot” shall mean and refer to any plot of land shown upon any recorded subdivision plat of the properties with the exception of the common area.
- Section 5: “Owner” shall mean and refer to the recorded owner, whether one or more persons or entities, of the fee simple title to the lot which is part of the properties including contract sellers, but excluding those having such interest merely as security for the purpose of an obligation. Renters/lessees/occupants shall be considered owners if the owner of record has not exercised their privilege of membership.
- Section 6: “Member” shall mean and refer to those persons who are owners as defined in Article II, Section 5 of these bylaws and become members by following the provisions of Article IV of these bylaws.

### ARTICLE III: AMENDING BYLAWS

- Section 1: The bylaws may be altered, amended, appealed, or suspended by a majority of the directors of the club at any regular or special meeting of the Board of Directors. Notice in writing of any proposed alteration, amendment, appeal, or suspension for the bylaws shall be given to each director either in person or by mail at least seven (7) days before such an alteration, amendment, appeal or suspension is acted upon, however.
- Section 2: Members may amend the bylaws by a majority of those present at the annual meeting, provided at least 10% of the total membership is represented at the meeting.
- Section 3: The Board of Directors shall not have the power to adopt bylaws, which would limit the right of the members to elect, annually, the prescribed member(s) to the Board of Directors.

### ARTICLE IV: MEMBERSHIP

- Section 1: Eligibility: All owners shall be eligible for membership in the club. Those persons who have executed a contract to purchase a home but have not taken title to their property shall be eligible for membership but will have no voting rights

until the title has been transferred to them and recorded with the Bexar County Clerk. Once an owner becomes a member of the club by paying the annual dues within the time provided in these bylaws, said owner shall have the rights and privileges for his or her children, grandchildren, nieces and nephews, or foster children to use and enjoy all the facilities provided by the club, provided said owner otherwise is not in default of the rules and regulations published by the club. There shall be a maximum number of owners eligible for membership in any given year. The Board of Directors shall have the sole discretion to both set an increase or decrease in the maximum membership allowed in the club in any given year. This amount will be determined at the January annual meeting. Renters and leases shall be eligible for membership but shall have no voting rights.

- Section 2: Prior Agreement: Members in good standing as of August 31, 2001, who were non-residents of Northern Hills Neighborhood properties (See ARTICLE II, Section 2) may continue their membership. A member cannot transfer their membership.
- Section 3: Applications: Applications for membership shall be in writing and in the form prescribed by the Board of Directors. Applications shall be filed with the club office together with payment of the required fees as determined by the Board of Directors. Details are contained on the application and a signed agreement is binding.
- Section 4: Acceptance: Subject to the maximum limit imposed by the Board of Directors, each membership shall be deemed accepted upon proper completion of the application by the prospective member, approval by the Board of directors or any person appointed by the Board of Directors for said purpose, tender of the required initiation fees, if applicable, and annual dues, and adherence to the rules, regulations and these bylaws.
- Section 5: Payment of dues: The annual prepayment of dues for existing members shall be due in its entirety on or before April 15<sup>th</sup> of each year. A membership in the club is for a period commencing May 1 of each year and ending on April 30 of the following year. Advance written notice of the amount of dues and time for payment shall be sent not later than April 1 to each member at their last known address as listed in the records of the club for the previous year. Although every effort will be made by the club to assure that members will receive a renewal application, under no circumstances can the club be held responsible for applications that are not received. The club shall maintain membership records for four years. Any former member who was a member more that four years ago shall be dropped from the membership records. Should that "Member" join again at a later date, he shall be treated as a new member and shall pay the initiation fee and dues as provided in the bylaws. If a member fails to pay the entirety of said dues on or before April 15 of each year, the member shall be deemed delinquent in payment of the annual dues and shall be assessed a penalty in the amount of

\$25.00. If said annual dues and penalty are not fully paid by May 1 or before the club reaches its maximum membership capacity, whichever is sooner, said member shall be dropped from the membership list and shall have to reapply for membership in accordance with the provisions described in Article IV, Section 4, except that former members are not required to pay the initiation fee. Former members and all prospective members whose names have been placed on a written waiting list maintained by the club during the year shall be given preference over former members and prospective members whose names have not been placed on the waiting list.

- Section 6: Member Identification: Each member shall be issued club member identification for the use of the member and the member's family residing with the member. Identification entitles the member's children, grandchildren, nieces, nephews, and foster children residing with the member to full use of the club facilities. Members may be asked to produce identification once inside the club facilities. The failure to produce proper identification upon demand by a member of the Board of Directors or an authorized employee of the club shall be grounds for removal of the member from the premises until such time as the member produces proper identification.
- Section 7: Guests: Persons who are not members shall have access to the properties or facilities or the club by payment of an entrance fee determined by the Board of Directors. Guests shall at all times comply with the bylaws of the club and all rules and regulations passed by the Board of Directors.
- Section 8: Denial of Facilities: A member or guest may be denied the use of the facilities and properties of the club for conduct which is prejudicial or injurious to the interest of or to the good order of peace and welfare of the club. The Board of Directors shall be the sole judges of which constitutes such conduct and make final determination as to whether permanent or temporary suspension is in order.
- Section 9: Termination: No member suspended or expelled shall be entitled to the refund of dues or any other monies paid by him to the club for membership in the club.
- Section 10: Resignation: A member of the club who wishes to resign from membership shall submit his or her resignation in writing to the Board of Directors. Such resignation shall become effective on the last day of the month submitted. No refund of dues or initiation fees will be made.
- Section 11: Voting Rights: Each member shall be entitled to only one vote. There shall be only one vote per owner.

## ARTICLE V: MEETINGS

- Section 1: Annual Membership Meeting: The annual meeting shall be scheduled during that last week of January, or at any other time designated by the Board of Directors. If the day of the annual meeting is a legal holiday, the meeting shall be held the same hour on the first day following which is not a legal holiday, or at any other time designated by the Board of Directors. Matters of the meeting will be posted at the club facilities or announced in the club newsletter at least one week in advance of scheduled meeting.
- Section 2: Special Meeting of the Members: Special meetings of the membership to present recommendations to the Board of Directors may be called upon request in writing to the Board of Directors of at least fifty members in good standing.
- Section 3: Conduct of Membership Meetings: The Board of Directors is given the right to determine the agenda and order of business of all meetings of the members, and such meetings shall be conducted under Robert's Rules of Order as governing the procedure in matters before the meeting.
- Section 4: Annual and Monthly Board Meeting: The annual meeting of the Board of Directors shall take place after the conclusion of the annual membership meeting. In addition to the annual meeting, the Board of Directors shall have regular monthly meetings. The Board of Directors shall have the sole discretion to determine the time and place for all monthly meetings. The new Board of Directors shall receive reports of operation of the club for the preceding year from the officers and retiring members of the Board of directors.
- Section 5: Special Meeting of the Board of Directors: Special meetings of the Board of Directors will be held at the call of the president or the call of two members of the Board of Directors. Notice of regularly scheduled meetings need not be given; notice of special meetings shall be given in writing to each member of the Board of directors stating the time, place and purpose of such a meeting.
- Section 6: Emergency Action Taken Without a Board Meeting: directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining written approval of a majority of the directors. Any action so approved shall have the same effect as those taken at a meeting of the directors. Verbal approval properly documented may be used if the action and approval are documented in the minutes of the next monthly Board of Director's meeting.
- Section 7: Quorum at the Board Meeting: The majority of the directors fixed by these bylaws shall constitute a quorum for the transaction of business. 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.

## ARTICLE VI: BOARD OF DIRECTORS

- Section 1: Nomination: Not later than December 15<sup>th</sup> of each year the Board of Directors will select a committee of three directors and two members. The committee is to nominate future Board members taking into account future needs for the Board of Directors. The Board then adopts a list of nominees and verifies all nominated are willing to serve. Nominations for the Board of Directors may also be made from the floor at the annual meeting with the support of at least ten members in good standing at the time of the nomination and the assent of the nominee.
- Section 2: Election: Election of directors shall be held at the annual membership meeting (See Article V, section 1). The members receiving the largest number of votes shall be elected. In the event of a tie, the Board of Directors will declare the position in question vacant and appoint one of the candidates who tied for the position.
- Section 3: Term of Office: The Board should be comprised of nine directors, with three directors' terms expiring each year. Each director serves a three-year term. The number of directors on the board may be increased or decreased from time to time by amendment to the bylaws.
- Section 4: Compensation: No director shall receive compensation for any service they may render to the club. However, any director may be reimbursed for their actual expenses incurred in the performance of duties with prior board approval.
- Section 5: Resignation: Any director or officer of the club may resign at any time. Such resignation may be made in writing and take effect at the time specified. If no time is specified at the time of its receipt by the President or Secretary, the acceptance of the resignation shall not be necessary to make it effective.
- Section 6: Vacancies: Vacancies in the office of any director or officer should be filled by the affirmative vote of the remaining directors, though less than a quorum. Any director or officer elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.
- Section 7: Removal: Any director shall be removed from the board by a two-thirds vote of the members of the club.

## ARTICLE VII: BOARD OF DIRECTORS' POWERS AND RESPONSIBILITIES

- Section 1: Powers: The Board of Directors shall have power to:
- Adopt and publish rules and regulations governing the use of the common area, the facilities, and the personal conduct of the users and to establish penalties for the infractions.

- Suspend the voting rights and right to use club facilities of a member during any period in which such member is in default of payment of annual dues and any assessed penalties or has been suspended as described in Article IV, Section 8 and to suspend the right to use the property and recreational facilities of any guest of a member whose conduct has been deemed prejudicial or injurious to the interests of or to the good order of peace and welfare of the club.
- To set initiation fees, dues, and all other charges made by the club.
- Employ a manager, independent contractor or such other employees as judged necessary and to prescribe their duties.
- Declare the office of a member of the Board of Directors to be vacant in the event that the member should be absent for three consecutive meetings of the Board of Directors.
- Fill the vacancy of any director positions. A board member appointed to such vacancy shall serve the remainder for the term of the board member replaced.
- Remove from the membership list any member who has failed to pay by May 1 of each year the entirety of the initiation fee, if applicable, annual dues and penalties.

Section 2: Responsibilities: It shall be the responsibility of the Board of Directors to:  
Adopt and publish rules and regulations governing the use of the common area and facilities, with rules to be reviewed annually and the personal conduct of the members and their guests and to establish penalties for infractions.

Cause to be kept complete records of all its actions and club affairs and to represent a statement of the members at the annual meeting or any special meeting of the members.

Collect all dues and initiation fees when due.

Supervise all officers, agents, and employees of the club and see that their duties are properly performed.

Procure and maintain adequate liability and hazard insurance on the property and adequate liability insurance for officers and directors of the club

Cause all officers and employees having fiscal responsibility to be bonded as may be appropriate.

Cause the common area to be maintained.

## ARTICLE VII: OFFICERS AND COMMITTEES

- Section 1: Officers: The officers of the club shall consist of a President, Vice President, Secretary and Treasurer, and such other offices as may be deemed necessary by the Board of Directors. Any two (2) or more offices may be held by the same person except the offices of President and Secretary. The other officers shall exercise such power and perform such duties as may be delegated to them by the Board of Directors. Responsibilities important to the club operation include maintenance, membership, legal, operation and newsletter.
- Section 2: Committee Directors: Permanent committees include Social and Swim. The authority of these committees in the management of the club operation is determined by resolution adopted by the majority of the directors. Other committees may be appointed as needed.
- Section 3: Election of Officers: The officers should be elected at the first meeting of the newly constituted Board of Directors. To be elected, each candidate for office should be a director and should receive a majority vote of Directors present at the meeting, a quorum being present. Each officer shall be elected for a term not exceeding one (1) year. There is no restriction to the number of terms to which the person may be elected, providing that nothing herein shall be inconsistent with applicable laws.
- Section 4: President's Duties: The president shall be the chief executive officer of the club. The president shall execute any such instruments and documents in the name of the club as may be necessary and proper in the management of its affairs. The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, and other written instruments and be responsible for the relocation and availability; and shall co-sign all checks and promissory notes.
- Section 5: Vice President's Duties: The vice-president shall, in the absence or disability of the president, perform the duties and exercise the powers of the president, The vice-president shall also perform such other duties and have such other powers the Board of Directors may, from time to time, prescribe.
- Section 6: Secretary's Duties: The secretary shall record the notes and keep the minutes and proceedings of the Board and of the members, he or she shall service notice of meetings of the Board and of the members; keep appropriate current records showing the members of the club, together with their addresses; and to perform such other duties as required by the Board.
- Section 7: Treasures Duties: The treasurer shall receive and deposit in appropriate bank



accounts all monies of the club and shall dispense such funds as directed by resolutions of the Board of Directors. He or she shall sign all checks and promissory notes of the club; keep proper books of accounts; cause an annual audit of club books to be made by a committee of three members, at least one of the members being a board member, one a member at large, excluding the President and Treasurer within 90 days of the completion of each fiscal year; and shall prepare an annual budget and a statement of expenditures and income to be presented to the membership at its regular annual meeting, and delivery a copy to each of the members.

#### ARTICLE IX: NOTICE AND WAIVERS

Sufficient notice is given by depositing the notice in the United States Mail in sealed, postage paid envelop, and addressed to the person entitled at his or her last known address according to the records of the club. Such notice is considered to have been given on the day of such mailing. Any required notice may be waived by getting the entitled person' signature.

#### ARTICLE X: INDEMNIFICATION

Every director/officer or employee of the club shall be indemnified by the club against all expenses and liabilities including counseling and fees reasonably incurred or imposed upon the person in connection with any proceedings to which he or she may be made a party or in which he or she may become involved by reason of being associated with the club. Indemnification applies for any settlement whether or not the person is a director, officer, or employee at the time such expenses are incurred, except in such cases where the director/officer/employee is judged guilty by a court of competent jurisdiction of willful misfeasance or malfeasance in the performance of his or her duties. The right of indemnification shall be in addition to and not exclusive of all the rights to which such director, officer, or employee maybe entitled.

#### ARTICLE XI: Dissolution

Upon the dissolution of the club, all of the remaining assets and property of the club shall, after paying or making provision for the payment of all of the liabilities and obligations of the club and for necessary expenses thereof, be distributed for one or more exempt purposes within the meaning of section 501(c) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or the a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction of the county exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

These Bylaws of the Northern Hills Neighborhood Swim Club shall become effective December 11, 2003.

I, STEPHEN D. FOSTER, certify that I am the President of the Northern Hills Neighborhood Swim Club, a Texas non-profit association, and that the foregoing Amended Constitution and Bylaws of the Northern Hills Neighborhood Swim Club are a true and correct copy of the Constitution and Bylaws of the Club as unanimously adopted by the Board of Directors of the Association on the \_\_\_\_\_ day of \_\_\_\_\_ at which a quorum was present.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of December, 2003.

Stephen D. Foster  
President

Deborah Dickson  
Secretary