

**BYLAWS
OF
WESTERN HILLS ATHLETIC CLUB, A NON-PROFIT CORPORATION**

**ARTICLE 1
NAME AND PURPOSE**

1.1 **Name.** The name of the Corporation is Western Hills Athletic Club, a Non Profit Corporation.

1.2 **Purpose.** Subject to the provisions of Article 1396-2.01 of the Texas Non-Profit Corporation Act (the "Act"), the Corporation is organized exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), or the corresponding provision of any future United States Internal Revenue Law. The Corporation shall be operated exclusively for such purposes, and no part of its net earnings shall inure to the benefit of, or be distributable to, its members, Directors, officers or any private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered by employees of the Corporation, and to make payments and distributions in furtherance of the purposes set forth in the Articles of Incorporation. No part of its activities shall be carrying on propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of or in opposition to any candidate for public office. In no event shall the Corporation carry on any activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

**ARTICLE 2
OFFICES**

2.1 **Principal Office.** The principal office of the Corporation shall be located at 4801 Rollingwood Drive, Austin, Texas.

**ARTICLE 3
MEMBERS**

3.1 **General.** The Corporation shall have members. The qualification for membership shall be a principal place of residence within the boundaries of the Eanes Independent School District. All transfers must be approved by the Board of Directors. No transfer of a membership is effective until receipt by the Club of the transfer fee specified by the Board of Directors. There shall be two classes of members: (1) general members who pay full dues for full unrestricted use of the Club facilities and (2) associate members who pay less than full dues for presumably less than full unrestricted use of the Club facilities. Any associate member may be reclassified by the Board of Directors as a general member upon a pattern of frequent use of the

facilities. The number of associate memberships shall not exceed 10% of the sum of general and associate memberships.

3.2 **Meeting of Members.** Meetings of members for any purpose may be held at such time and place within or without the State of Texas as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

3.3 **Annual Meetings.** An annual meeting of members shall be held at such time and place as the Board of Directors shall determine. At each annual meeting, the members shall elect a Board of Directors and transact such other business as may be properly brought before the meeting.

3.4 **Special Meetings.** Special meetings of the members for any purpose or purposes may be called by the President, by the Board of Directors, or by petition presented at the regular monthly meeting of the Board of Directors and signed by 20 members in good standing. A request for a special meeting shall state the purpose or purposes of the proposed meeting, and business transacted at any special meeting of members shall be limited to the purposes described in the notice of the meeting.

3.5 **Notice of Meetings.** Subject to the provisions of Article 2.11B of the Act, written or printed notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than twenty (20) nor more than sixty (60) days before the date of the meeting, either personally, by facsimile transmission, or by mail, by or at the direction of the President, or the Secretary, or the officers or persons calling the meeting, to each member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at the member's address as it appears on the records of the Corporation, with postage thereon paid. If transmitted by facsimile, notice is deemed to be delivered on successful transmission of the facsimile.

3.6 **Quorum of Members.** Except as may otherwise be provided by the Articles of Incorporation or by Article 1396-2.12B of the Act, and subject to the provisions of Section 3.10, ten members shall constitute a quorum at all meetings of the members for the transaction of business. If a quorum is not represented at any meeting of the members, the members entitled to vote thereat, represented in person or by proxy, may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is represented. At such adjourned meeting, provided a quorum is represented thereat, any business may be transacted that might have been transacted if the meeting had been held in accordance with the original notice thereof.

3.7 **Record Date for Determining Members Entitled to Notice and Vote.** For the purpose of determining members entitled to receive notice of or to vote at any meeting of members, or any adjournment thereof, or in order to make a determination of members entitled to exercise any rights regarding any other lawful action, the Board of Directors may fix in advance a date as the record date for any such determination of members, such date in any case to be not more than sixty (60) days prior to the date of the meeting or action that requires the determination of the members. When a determination of members entitled to notice of or to vote at any meeting of members has been made as provided in this Paragraph 3.7, such determination shall be effective for any adjournment of the meeting unless the Board of Directors fixes a new date for determining the right to notice or the right to vote. The Board of Directors must fix a new date for determining the right to notice or the right to vote if the meeting

is adjourned to a date more than ninety (90) days after the record date for determining members entitled to notice of the original meeting.

3.8 **Voting Members' List for Meeting.** After fixing a record date for the notice of a meeting, the Corporation shall prepare an alphabetical list of the names of all its voting members who are entitled to notice of the meeting. This list must show the address and phone number of each member entitled to cast a vote at the meeting.

3.9 **Inspection of Voting Member's List.** Not later than two (2) business days after the date notice is given of a meeting for which a list was prepared, as provided by Paragraph 3.8, and continuing through the meeting, the list of voting members must be available for inspection by any member entitled to vote at the meeting for the purpose of communication with other members concerning the meeting at the Corporation's principal office or at a reasonable place identified in the meeting notice in the city where the meeting will be held. A voting member or voting member's agent or attorney is entitled on written demand to inspect and, subject to the limitations of Section B, Article 1396-2.23 of the Act to copy the list at a reasonable time and at the member's expense during the period it is available for inspection.

3.10 **Absentee Voting.** Within five (5) calendar days after the date on which a members meeting was held at which any matter was submitted to a vote of members, the Board of Directors shall cause to be mailed by first class mail to each members who was eligible to vote but did not attend said meeting, an absentee ballot on each issue presented to the members. Absentee ballots shall be pre-addressed to the Club, shall clearly identify the issue presented to members and the deadline for voting and shall provide a place for the member to indicate his or her vote. Absentee ballots shall be counted as through the member was present at the meeting if received by the Club with a postmark no later than ten (10) days after the date the ballots were mailed to members.

3.11 **Majority Vote of Members.** The vote of the majority of the votes entitled to be cast by the members present, either in person or by virtue of a timely absentee ballot, at a meeting at which a quorum is present, shall be the act of the members meeting, unless the vote of a greater number is required by law or by the Articles of Incorporation.

3.12 **Voting.** Subject to applicable provisions, if any, of the Articles of Incorporation or these Bylaws, each member shall be entitled to one (1) vote on each matter submitted to a vote of the members. Voting by proxy is not permitted.

3.13 **Loss of Membership Access.** The Board of Directors may, upon a unanimous vote of all directors, revoke the membership privileges of any individual whose conduct poses a clear and present danger to other pool members. Prior to any such vote, the Directors shall give written notice to said member, notifying the member of the specific conduct with which he or she is charged. The accused member shall have the right to appear before the Board prior to the vote. The Board shall not accept anonymous or oral accusations; all complaints about the conduct of members must be in the form of sworn affidavits and shall be provided to the accused member.

3.14 **Forfeiture of Membership.** Members who fail to pay their dues and any other fees assessed by the Board of Directors shall forfeit their memberships back to the Club. The Club does not owe a fee of any kind back to a former member whose membership is forfeited for failure to pay dues or assessments. Prior to any declaration of forfeiture by the Board of Directors, the President or Vice President of the Club shall give the delinquent member written

notice of the delinquency and the impending forfeiture by first class mail delivered to the address currently on the books of the Club. If the delinquency is not cured in full within 30 days of the date the notice was mailed to the delinquent member, the Board may, at any time thereafter, declare a forfeiture of the membership. The Board may, in response to a request from a member, work out a payment schedule for a member who has a bona fide temporary financial crisis, provided that no member shall be entitled to more than one extended pay out hardship exception during any rolling five year period.

ARTICLE 4

BOARD OF DIRECTORS

4.1 **General Powers.** The affairs of the Corporation shall be managed by, and the control and disposition of its properties and funds shall be vested in, the Board of Directors.

4.2 **Number and Qualifications.** The number of Directors which shall constitute the whole Board of Directors shall be nine (9). A Director must be a member.

4.3 **Election and Vacancies.** Directors shall be elected at the annual meeting of the members and, unless removed in accordance with the provisions of Paragraph 4.5, each Director shall hold office until his or her successor shall have been elected, approved, or designated and qualified. The three (3) candidates who receive the most votes will be elected for a term of three (3) years. Directors can serve no more than two consecutive three-year terms. Notwithstanding the foregoing, (i) any vacancy occurring in the Board of Directors shall be filled by the affirmative vote of a majority of the remaining Directors though less than a quorum of the Board of Directors, and any Director thus elected shall be elected for the unexpired term of his or her predecessor in office, and (ii) any directorship to be filled by reason of an increase in the number of Directors shall be filled by election at an annual meeting or at a special meeting of members called for that purpose. The terms of the Directors shall be staggered so that the terms of three (3) Directors expire each year.

4.4 **Removal.** Subject to Article 1396-2.15D of the Act, at any meeting of the members called expressly for that purpose at which a majority of the members listed on the voting members, list are present, either in person or by absentee ballot, any Director or the entire Board of Directors may be removed either for or without cause.

4.5 **Nomination.** Each year a majority of the Directors presently in office shall select a nominee for each of the three Board positions to be filled at the upcoming annual meeting of members. Additional nominations for each open position will be accepted from the floor at the annual meeting of members. Each member will be entitled to vote for three (3); cumulative voting will not be allowed.

4.6 **Place of Meetings.** Meetings of the Board of Directors, regular or special, may be held either within or without the State of Texas.

4.7 **Regular Meetings.** Regular meetings of the Board of Directors may be held upon such notice, or without notice, and at such time and at such place as shall from time to time be determined by the Board of Directors.

4.8 **Special Meetings.** Special meetings of the Board of Directors may be called by the President and shall be called by the Secretary on the written request of any Director. Notice of each special meeting of the Board of Directors shall be given to each Director at least two (2) days before the date of the meeting.

4.9 **Attendance as Waiver of Notice.** Attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. Except as may be otherwise provided by law or by the Articles of Incorporation or by these Bylaws, neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

4.10 **Voting.** A Director may vote in person or by proxy executed in writing by the Director.

4.11 **Quorum of Directors; Majority Vote.** At all meetings of the Board of Directors, the presence in person (but not by proxy) of a majority of the number of Directors in the manner provided by these Bylaws shall constitute a quorum for the transaction of business, and the act of the majority of the Directors present in person or by proxy at any meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by the Articles of Incorporation or these Bylaws. If a quorum is not present at any meeting of Directors, the Directors present in person may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

4.12 **Committees.** The Board of Directors, by resolution adopted by a majority of the Directors in office, may from time to time designate one or more committees, including an Executive Committee, which, to the extent provided in such resolution, shall have and exercise the authority of the Board of Directors in the management of the Corporation. Each such committee shall consist of two (2) or more persons, a majority of whom are Directors; the remainder need not be Directors. Any non-Director who becomes a member of any such committee shall have the same responsibility with respect to such committee as a Director who is a member thereof. A majority of all the members of any such committee may determine its action and fix the time and place of its meetings, unless the Board of Directors shall otherwise provide. The Board of Directors shall have the power at any time to change the number and members of any such committee, to fill vacancies and to discharge any such committee. Other committees not having and exercising the authority of the Board of Directors in the management of the Corporation may be designated and appointed by a resolution adopted by a majority of the Directors at a meeting at which a quorum is present, or by the President thereunto authorized by a like resolution of the Board of Directors. Membership on such committees may, but need not be, limited to Directors.

4.13 **Informal Action by Directors.** Any action required to be taken at a meeting of Directors, or any action which may be taken at a meeting of the Directors or any committee, may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall have been signed by all the Directors or committee members. Any such written consent shall be executed, dated, and filed with the Corporation in the manner required by Article 1396-9.10 of the Act.

4.14 **Attendance by Telephone.** Subject to the provisions of the Act and these Bylaws concerning notice of meetings and unless otherwise restricted by the Articles of Incorporation or

these Bylaws, members of the Board of Directors, or members of any committee designated by the Board of Directors, may participate in and hold a meeting of such Board of Directors or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

4.15 Conflicts of Interest:

a. A conflict of interest occurs when a person under a duty to promote the interests of WHAC (a “fiduciary”) is in a position to promote a competing interest instead. Fiduciaries include all WHAC employees, directors and officers. Undisclosed or unresolved conflicts of interest are a breach of the duty to act in the best interests of WHAC and work to the detriment of WHAC.

b. All conflicts of interest must be disclosed to the Board of Directors. After disclosure is made, the individual with a conflicting interest must not participate in judging the merits of that interest. That is, such individual must abstain from discussing, voting on, or recommending a course of action with respect to, the situation giving rise to the conflict. When these actions are taken, the conflict of interest has been properly discharged.

ARTICLE 5

NOTICES

5.1 **Notice to Directors or Members.** Any notice to Directors or members shall be in writing and shall be either delivered by personal delivery or by telecopy or overnight delivery service) or mailed to the Directors or members at their respective addresses appearing on the books of the Corporation. Notice to such addresses shall be deemed to be given when deposited in the United States mail, postage prepaid, or on the day such notice is actually delivered to such address. If transmitted by telecopy, notice is deemed to be delivered on successful transmission of the telecopy.

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

ARTICLE 6

OFFICERS

6.1 **Officers of the Corporation.** The officers of the Corporation shall be elected by the Board of Directors and shall consist of a President and Secretary. The Board of Directors may also elect or appoint a Chairman of the Board, one or more Vice Presidents, a Treasurer and such other officers and assistant officers as it shall deem necessary. All officers shall hold their offices for such terms (not exceeding three (3) years) and shall have such authority and exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors by resolutions not inconsistent with these Bylaws. Any two (2) or more

offices may be held by the same person, except the offices of President and Secretary. A committee duly designated may perform the functions of any officer and the functions of any two or more officers may be performed by a single committee, including the functions of both President and Secretary.

6.2 **Qualifications.** Officers shall be members of the Board of Directors.

6.3 **Term of Office and Removal.** Unless otherwise specified by the Board of Directors, the term of office for all officers shall be for one (1) year, commencing with the date of the annual members meeting; provided that no such term of office shall exceed three (3) years and provided further that the officers of the Corporation shall hold office until their successors are elected or appointed and qualify, or until their death or until their resignation or removal from office. Any officer elected or appointed may be removed by the persons authorized to elect or appoint such officer whenever in their judgment the best interests of the Corporation will be served thereby. Any vacancy occurring in any office of the Corporation by death, resignation, removal or otherwise shall be filled by the Board of Directors.

6.4 **President.** The President shall be the Chief Executive officer of the Corporation, shall have general and active management of the business of the Corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect. The President shall preside at all meetings of the members and at all meetings of the Board of Directors.

6.5 **Vice President.** The Vice Presidents in the order of their seniority, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the President, perform the duties and have the authority and exercise the powers of the President. They shall perform such other duties and have such other authority and powers as the Board of Directors may from time to time prescribe or as the President may from time to time delegate.

6.6 **Secretary.** The Secretary shall attend all meetings of the Board of Directors of which, ex officio, he or she shall be the Secretary, and all meetings of members, and record all of the proceedings of the meetings of the Board of Directors and of the members in a minute book to be kept for that purpose and shall perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all meetings of the members, special meetings of the Board of Directors, and (if notice is required) regular meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or the President under whose supervision the Secretary shall be. The Secretary shall keep in safe custody the seal of the Corporation (if any) and, when authorized by the Board of Directors, shall affix the same (or state that the Corporation has none) to any instrument requiring it and, when so affixed (or so stated), it shall be attested by his or her signature or by the signature of an Assistant Secretary or of the Treasurer.

6.7 **Treasurer.** The Treasurer shall have custody of the corporate funds and securities and shall keep full and accurate accounts and records of receipts, disbursements and other transactions in the records of the Corporation, and shall deposit all monies and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors.

ARTICLE 7
GENERAL PROVISIONS

7.1 **Checks**. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.


7.2 **Fiscal Year**. The fiscal year of the Corporation shall be the calendar year unless otherwise fixed by resolution of the Board of Directors.

ARTICLE 8
AMENDMENTS

8.1 **Amendment to Bylaws**. The Corporation's Board of Directors may amend or repeal the Corporation's Bylaws or adopt new Bylaws.

ARTICLE 9
INDEMNIFICATION

9.1 **Power to Indemnify and to Purchase indemnity Insurance**. To the maximum extent permitted by Article 1396-2.22A of the Act (without regard, however, to Section Q of such Article), the Corporation shall indemnify any person who is or was a director or officer of the Corporation against any and all judgments, penalties (including excise and similar taxes), fines, settlements and reasonable expenses actually incurred by such person in connection with a proceeding (as defined in Article 1396-2.22A) because of that person's service or status as a director or officer. Further, the Corporation shall pay or reimburse reasonable expenses incurred by a director or officer who was, is or is threatened to be made a party in a proceeding, in advance of the final disposition of the proceeding, to the maximum extent permitted by Article 1396-2.22A; provided, however, that payment or reimbursement of expenses pursuant to the procedures set out in Section K of Article 1396-2.22A may be conditioned upon a showing, satisfactory to the Board of Directors in its sole discretion, of the financial ability of the officer or director in question to make the repayment referred to in such Section. Further, the Corporation may indemnify, and may reimburse or advance expenses to or purchase and maintain insurance or any other arrangement on behalf of, any person who is or was a director, officer, employee or agent of the Corporation for who is or was serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, director, employee, agent or similar functionary of another corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise, in connection with any liability asserted against such person because of such service or status, to such further extent, consistent with Article 1396-2.22A and other applicable law, as the Board of Directors may from time to time determine. The provisions of this section shall not be deemed exclusive of any other rights to which any such person may be entitled under any bylaw, agreement, insurance policy, or otherwise. No amendment, modification or repeal of this section shall in any manner terminate, reduce or impair the right of any person to be indemnified by the Corporation in accordance with the provisions of the section as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.


Secretary

Adopted this 20 day of January, 2010.

VANDALISM POLICY

Any individual who destroys or vandalizes any property of the Western Hills Athletic Club ("WHAC") or the property of another individual while on WHAC premises may be subject to the following actions:

1. A Member shall pay to repair or replace any property damaged by the Member, a member of the Member's family, or a guest of the Member.
2. In the discretion of the Board of Directors or the Pool Manager, the WHAC may contact the Rollingwood Police Department and make a report of the incident.
3. In its discretion, the Board of Directors may revoke the membership rights of any Member for an act of vandalism.

BUSINESS POLICY

WHAC members (including dependents and guests) shall not operate any sort of for-profit business on the grounds of the Western Hill Athletic Club or using the facilities of the Western Hills Athletic Club.