

REVISED BY-LAWS

**THE KIRKWOOD SWIM CLUB, INC.
Post Office Box 24896
San Jose, California, 95124**

Saturday, October 18, 2003

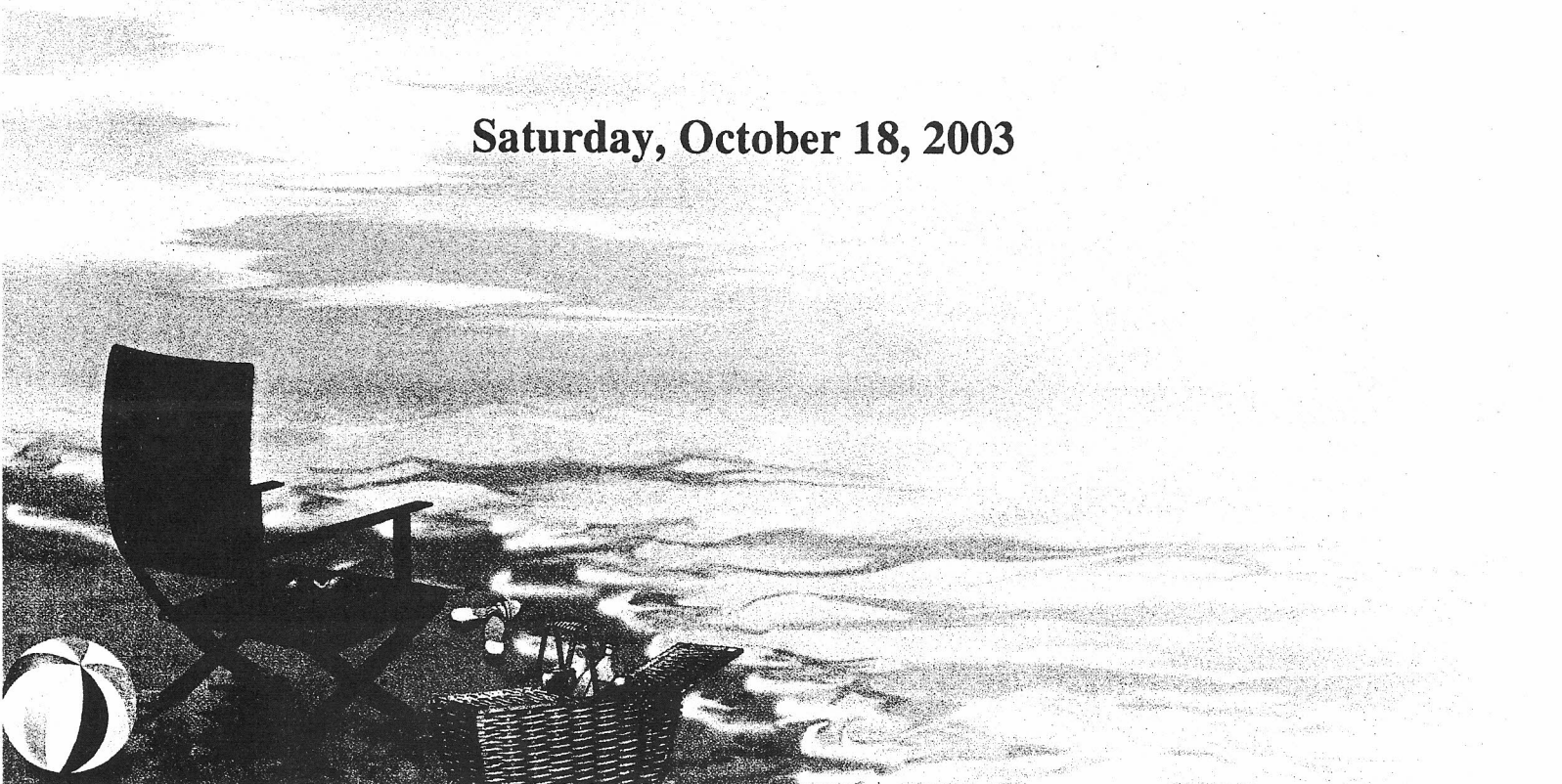


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Preamble

WHEREAS, certain people residing in Kirkwood, Tract Nos. 2430, 2431 and 2432, San Jose, Santa Clara County, California, have become interested in establishing recreation facilities, including a swimming pool and attendant facilities for themselves, their families and guests, and believe that such forms of social activity are of personal and group benefit, pleasure and enjoyment; and

WHEREAS, for the purpose of acquisition and operation of said facilities there has been organized a non-profit corporation under the name of THE KIRKWOOD SWIM CLUB, INC. and hereafter referred to and called "corporation";

NOW, THEREFORE, there *are* promulgated By-Laws for the organization and operation of said corporation as follows:

ARTICLE 1. MEMBERS

Section 1.1. Qualifications for Membership. Membership may be held by any adult person, or by any family unit, residing in any one of the residential lots in Tract Nos. 2430, 2431 and 2432, San Jose, California (herein "Kirkwood"). If all authorized memberships are not acquired by such persons or family units, then the Board of Directors may offer membership to other persons or family units residing in residential lots in the vicinity of Kirkwood.

Section 1.2. Maximum Membership. The maximum membership of the corporation shall not exceed the number of residential lots in Kirkwood.

Section 1.3. Actual Memberships. This corporation shall be composed of an actual number of memberships not to exceed the number of memberships authorized by the members from time to time in accordance with Section 1.4.

Section 1.4. Authorized Memberships. Subject to Section 1.2, the authorized membership of this corporation may be increased or decreased from time to time upon the approval of a majority vote of the members represented at a duly constituted meeting.

Section 1.5. Book Value. Each membership shall be valued (for sales and purchases) at its Book Value. Book Value means the book value of the corporation as shall be determined by the Treasurer and approved by the Board of Directors, divided by the number of actual memberships outstanding, as both are calculated at the beginning of the then-current Fiscal Year.

Section 1.6. Termination of Membership.

1.6.1. Voluntary Termination. In the event a member should voluntarily desire to terminate his membership, said member must first offer his membership to the corporation Treasurer in writing at a price not to exceed a sum of money equal to the Book Value. The Board of Directors shall have a period of fourteen (14) days within which to direct the Treasurer to purchase said membership at the offered price. In the event the corporation shall fail to

purchase said membership during the aforesaid period, the member may then sell his membership to a person approved by a majority of the Board of Directors of the corporation.

1.6.2. Moving from Kirkwood. Should the member move out of Kirkwood before selling his membership, the corporation will act as his agent without fee and sell it to the next person purchasing a membership, subject, however, to the sale of other memberships turned in prior in time to his.

1.6.3. Failure to Pay Dues. In the event that any member shall fail to pay his dues within two (2) quarterly payment periods from their due date as provided in Section 1.8.2, then (i) his membership shall revert automatically to the corporation without payment therefor and (ii) his membership in this corporation and all privileges and use of its facilities shall involuntarily cease without payment therefor by the corporation.

1.6.4. Bankruptcy. A membership shall not be subject to attachment, garnishment, or execution; shall not be an asset of the debtor in the event of bankruptcy and/or assignment of creditors; said membership upon any of the foregoing conditions or any other involuntary transfer shall automatically revert to the corporation and the former members, his heirs, trustees, executor, administrator or assignee have no right, title or interest therein. Provided, nevertheless, in the event of any of the foregoing, the corporation shall pay to the former member a sum of money equal to the Book Value of his membership interest.

1.6.5. Death. Upon the death of a member, the membership shall automatically revert to the corporation, and shall not become an asset of the estate of the decedent member. Nevertheless, the corporation shall pay to the representative of the deceased a sum of money equal to the Book Value of his membership interest. If membership is owned by a family unit, the death of any member of the family unit shall not prejudice the ownership thereof by the surviving members of the family unit.

Section 1.7. Transfers of Membership.

1.7.1. Subsequent Resident. Notwithstanding Section 1.6.2, if the member is the owner of real property within Kirkwood, said member upon the sale of such real property may transfer his membership to the purchaser thereof, subject to the approval of a majority of the Board of Directors.

1.7.2. Endorsement Form. A membership may be transferred to another by endorsing the necessary forms retained by the Treasurer.

1.7.3. New Family Unit. If a family unit owns a membership associated with a particular residence and an individual or individuals in the immediate family of such family unit should move from that residence, then (i) the ownership of the original membership by any members of the family unit remaining in the original residence shall not be prejudiced and (ii) the Board of Directors, at their sole discretion, may offer additional memberships to the individual or individuals in the immediate family of such family unit who moved without regard to any requirements of Section 1.1 or Section 1.3.

Section 1.8. Dues

1.8.1. Amount. The Board of Directors shall determine an annual budget for each Fiscal Year, including the amount of dues for each member during such Fiscal Year (the "Dues").

1.8.2. Payment of Dues. Each owner of a membership during a Fiscal Year is obligated to pay Dues to the corporation, which dues shall be paid in equal quarterly installments over the quarters remaining in said Fiscal Year, unless:

1.8.2.1. A new member purchases his membership directly from an outgoing member and assumes the dues obligation of said outgoing member for the remainder of the Fiscal Year; or

1.8.2.2. An outgoing member actually moves out of Kirkwood and offers his membership to the corporation per Section 1.6.1, in which case he is relieved of his dues obligation for the balance of the Fiscal Year from the date of moving; or

1.8.2.3. A new member moves into Kirkwood during the Fiscal Year and acquires a membership from the corporation as owner or agent, in which case he shall be obligated to pay Dues for each quarter remaining in the Fiscal Year on the date of such acquisition.

1.8.3. Fiscal Year. The corporation's fiscal year shall be that period running from November 1 to October 31 of the next calendar year ("Fiscal Year").

1.8.4. Partial Year. For computing Dues, any fraction of a quarter shall be considered as a whole.

1.8.5. Invoicing. Dues shall be payable upon receipt of the quarterly invoice.

1.8.6. Renewals. Once a membership is terminated either voluntarily as prescribed in Section 1.6.1 or involuntarily as prescribed in Section 1.6.3, the ex-member shall be prohibited from membership for a period of one year from the date of the termination of his membership unless special exception is made by the Board of Directors.

Section 1.9. Duties of Members

1.9.1. Dues. Members must pay Dues as provided herein and assessments, both as agreed upon and declared at a duly constituted meeting.

1.9.2. Work. Members may, but shall not be required to, accept appointments to committee crews and special work parties. Members of committee crews and special work parties may be compensated or reimbursed for their service in accordance with Section 4.1.2.

1.9.3. Compliance. Members must comply with the rules and regulations as posted at the pool. Repeated infractions thereof shall be deemed as conduct detrimental to the best interests of the corporation.

1.9.4. Safety. Members must immediately inform the crew or committee chairman of any matter tending to compromise the safe and orderly operation of the corporation when such matter is under his authority to control.

1.9.5. Duty to Inform. Members must inform the President or a member of the Board of Directors of any matter not falling within the jurisdiction of or matters persistently ignored by any crew or committee.

1.9.6. Mandatory Meeting. Members must call a meeting pursuant to Section 6.1.2 when a request to any matter material to the safe and orderly operation of the corporation is unheeded by the corporation Officers or Board of Directors.

Section 1.10. Authorities of Members

1.10.1. Voting. Members have the right to vote concerning an increase in the amount of Dues by more than ten percent (10%) over the prior year's Dues, which must be approved by a two-thirds (2/3) vote of the members in attendance at a duly constituted meeting.

1.10.2. Sale of Property. Members shall have the power of sale of the real property owned by the corporation, which sale must be approved by three-fourths (3/4) of the members of the corporation.

1.10.3. Budget Approval. Members shall have the power to approve the annual budget for the forthcoming Fiscal Year, which budget shall be submitted by the Treasurer at the Annual Meeting.

1.10.4. Bank Account. Members shall have the power to direct the Treasurer to deposit all funds into a bank or lending institution approved by the members and to indicate which person or persons shall have the power of withdrawal there from.

1.10.5. Improvements. Members shall have the sole power to authorize improvements to the pool and facilities over the Book Value of a single membership per year. Improvements are defined as those additions to the corporation property not directly necessary to maintain continued safe and healthful use of the pool.

1.10.6. Elections and Removal. Members shall have the power to elect officers and Directors and amend these By-Laws as provided herein. Any officer or director may be removed prior to the end of their term by a majority of the members in attendance at a duly constituted meeting. Any officers appointed by the Board of Directors may also be removed prior to the end of their term by a two-thirds (2/3) vote of the directors

1.10.7. Financial Limits. Members shall have the power to authorize limits for Treasurer's temporary use of funds for extraordinary expenses for improvements, operations and repair of the pool facilities that can await a meeting of the members.

ARTICLE 2. DIRECTORS

Section 2.1. Number. The Board of Directors of this corporation shall consist of five (5) members elected by the members as hereafter set forth.

Section 2.2. Term. The Directors of this corporation shall be nominated and elected for a term of two (2) years to start at the beginning of the Fiscal Year.

Section 2.3. Election. Election of Directors shall take place at the regular annual meeting of the members of this corporation held at the time and place hereinafter set forth.

Section 2.4. Continuity. Although not mandatory, it is desirable that in order to provide continuity, two members from an outgoing Board of Directors should run for a second term.

Section 2.5. Voting. The members in good standing at the annual meeting shall elect the Directors. Each member, an individual or family unit (as applicable), shall have one (1) vote for the election of Directors; in the case of family units, the head of the household in whose name the membership is registered shall exercise the voting rights for the membership. All voting shall be done by secret ballot and shall be cast by roll call only. No member may be nominated for election to office unless he is present at the meeting or his written consent has been obtained prior to said meeting.

Section 2.6. Vacancies. In the event a vacancy shall occur on the Board of Directors for any reason other than the expiration of a regular term, the remaining Directors shall fill such vacancy from the members of the corporation, and the person so elected shall hold office for the remainder of the regular term of the Director replaced by him.

Section 2.7. Directors Shall Serve As Officers. The membership shall at the regular annual meeting elect from among the Directors the primary Officers further described below.

Section 2.8. Duties of the Board of Directors

2.8.1. Policies. The Board of Directors shall have as its duty the establishment of policies and directives for the Officers of the corporation consistent with these By-Laws and the resolutions of the membership.

2.8.2. Interests. It is the duty of the Board of Directors to place the interest of the Kirkwood Swim Club foremost and not base decisions on personal interests.

Section 2.9. Authorities of the Board of Directors

2.9.1. Policies. The Board of Directors shall have the authority and power to establish corporate policy and direct the officers to act pursuant thereto.

2.9.2. Spending by Treasurer. The Board of Directors shall have the power to authorize limits for Treasurer's temporary use of funds for extraordinary expenses for operation and repair of the pool facilities under emergency conditions that cannot await the call of a special membership meeting.

2.9.3. General Expenses. The Board of Directors shall have the power to authorize expenditures for improvements up to the Book Value of a single membership per year.

2.9.4. Budget Deviations. The Board of Directors shall have the power to authorize deviations in the annual budget approved by the membership as long as total expenditures do not exceed the income from dues for that Fiscal Year.

ARTICLE 3. OFFICERS

Section 3.1. President

3.1.1. Duties of the President

3.1.1.1. Management. The President shall be responsible for the general day to day management of the corporation in matters relating to pool safety, operation, repairs and improvements, and shall generally direct the affairs of the corporation.

3.1.1.2. Finances. The President shall have the duty of maintaining the fiscal integrity of the corporation in managing its day-to-day affairs.

3.1.1.3. Meetings. The President shall have the duty of calling a Board of Directors meeting whenever matters of policy arise requiring Board of Directors consideration.

3.1.1.4. Contracts. The President shall sign all contracts and other instruments as required in the management of corporate affairs.

3.1.2. Authorities of the President

3.1.2.1. Delegation to Crew. The President shall have the power to delegate day to day duties to crew and committee chairmen for management of matters relating to pool safety, operation, repair and improvements provided that said chairmen are given the necessary authority to carry out duties so delegated.

3.1.2.2. Crew Funds. The President shall have the power to provide crew and committee chairmen with the authority to spend funds within the limits prescribed by the annual budget for the function undertaken by the crew or committee.

3.1.2.3. Treasurer Funds. The President shall have the power to direct the Treasurer to disburse corporate funds as necessary and proper in the day-to-day management of the pool within the limits prescribed by the annual budget.

3.1.2.4. Delegation to Officers. The President shall have the power to direct other Officers of the corporation to carry out tasks necessary for proper management of the corporation.

3.1.2.5. Expenditures. The President shall have the power to expend funds up to the Book Value of a single membership per year for improvements without approval of the Board of Directors or membership.

3.1.2.6. Meetings. The President shall have the power to call special meetings of the membership and the Board of Directors and shall preside over such meetings.

3.1.2.7. Other Powers. The President shall have all other power customarily associated with his office that are necessary to generally direct the affairs of the corporation.

Section 3.2. Vice-President

3.2.1. Duties of the Vice-President

3.2.1.1. Actions. The Vice-President shall have the duty to act in the President's stead during his absence.

3.2.1.2. Management. The Vice-President shall have the duty to manage crews and/or committees appointed to him by the President.

3.2.1.3. Authorities of the Vice-President. The Vice-President shall have the authorities of the President when acting in his stead or as delegated to him by the President.

Section 3.3. Secretary

3.3.1. Duties of the Secretary

3.3.1.1. Records The Secretary shall maintain all corporate records and files and keep the minutes of the corporation.

3.3.1.2. Notices The Secretary shall give notice to the Board of Directors and membership of the various meetings held from time to time.

3.3.1.3. By-Laws. The Secretary shall maintain a current set of these By-Laws as amended from time to time and post same at the pool.

3.3.1.4. Contracts. The Secretary shall counter-sign all contracts and other instruments as required in the management of corporate affairs.

3.3.2. Authority of the Secretary. The Secretary shall have the authority to purchase stationery supplies and procure reproductions of meeting notices, By-Laws and other necessary papers within the limits set by the annual budget for such items.

Section 3.4. Treasurer

3.4.1. Duties of the Treasurer

3.4.1.1. Dues. The Treasurer shall have the duty to bill members for Dues, and assessments and collect proceeds therefrom.

3.4.1.2. Records. The Treasurer shall keep a complete financial record of corporate income and disbursements that shall be open to inspection by the membership.

3.4.1.3. Reports. The Treasurer shall submit an annual financial report and a recommended annual budget for the coming Fiscal Year to the membership at the time notice is given of the annual meeting.

3.4.1.4. Book Value. The Treasurer shall post annually the book value of memberships at the pool.

3.4.1.5. Roster. The Treasurer shall post a roster of members at the pool.

3.4.1.6. Budgets. The Treasurer shall inform the Board of Directors immediately when any item in the approved annual budget is exceeded.

3.4.1.7. Finances. The Treasurer shall have the duty of maintaining close surveillance on the corporation's financial condition and shall direct the Secretary to call a membership meeting when disbursements exceed the annual budget as well as the annual income from dues for that Fiscal Year.

3.4.1.8. Taxes. The Treasurer shall file all required State and Federal tax returns as needed.

3.4.2. Authorities of the Treasurer

3.4.2.1. Invoicing. The Treasurer shall have the authority to render statements to members for dues and assessments.

3.4.2.2. Disbursements. The Treasurer shall disburse funds as directed by the Officers of the corporation or their delegates within the limits of their authority.

3.4.2.3. Purchases. The Treasurer shall have the authority to purchase necessary stationery and supplies for record keeping and billing.

Section 3.5. Other Authorities and Duties. In addition to the above, each officer shall have all other authorities and duties customarily associated with his office together with such other authority and duties as shall be delegated to or placed upon him by the membership.

Section 3.6. Other Officers. Other officers may be appointed as the membership may determine from time to time.

ARTICLE 4. CREWS

Section 4.1. Work Crews

4.1.1. Establishment. The President may establish work crews, as he may deem necessary from time to time, to which he may delegate duties and authorities for the purpose of pool safety, operation, repairs and improvements. The President shall, regardless of delegation, have the ultimate responsibility for the proper performance of duties in these areas.

4.1.2. Compensation. The President shall have the authority to determine compensation for work crews or work crewmembers through bid or other competitive process to ensure a fair allocation of maintenance responsibility across all members.

Section 4.2. Duties of Crew Chairmen

4.2.1. Duties. Each crew chairman shall carry out his respective function in the area of pool safety, operation, repair and/or improvement as delegated to him by the President.

4.2.2. Oversight. The crew chairmen shall have the duty to see that their respective crews are adequately manned to perform the duties delegated to them.

4.2.3. Schedules. The crew chairmen shall post at the pool work schedules and members assigned thereto.

Section 4.3. Authorities of Crew Chairmen. The crew chairmen shall have the authority to spend corporate funds up to the limits established by the President for the purpose of carrying out their respective duties and functions.

ARTICLE 5. COMMITTEES

The membership and/or President shall appoint such special committees as from time to time it may deem necessary or advisable in connection with the affairs of the corporation and may delegate to any such committee such authority as is, in the opinion of the membership and/or President, appropriate and adequate to enable the committee to perform the functions desired. The President, ex-officio, shall be a member of every committee.

ARTICLE 6. MEETINGS

Section 6.1. Meetings of the members

6.1.1. Regular Meetings. A regular meeting of the members of the corporation shall be held during the month of October of each calendar year, at such date, hour and place as shall be designated by the Board of Directors. Notice of time, place and special matters to be considered at such meeting shall be given at least six (6) days prior thereto, by mail or other delivery.

6.1.2. Special Meetings. Special meetings of the members may be called by the Board of Directors or by the President, and the President shall call such meeting upon the written

request to the President of at least ten percent (10%) of the members in good standing. The President must call said special membership meeting within two (2) weeks after he shall have received said written request. Said written request shall set forth the purpose of the meeting. Only such matters as are referred to in the request shall be considered at a special membership meeting. Notice of the time, place and purpose of a special membership meeting shall be given at least three (3) days prior to the meeting, by mail or other delivery.

6.1.3. Quorum. Not less than thirty-five percent (35%) of the membership in good standing shall constitute a quorum at any meeting of the members, and in the absence of quorum, the meeting shall have no authority except to adjourn from day to day or until such time as may be deemed proper by the members present.

6.1.4. Written Ballot. Any action, which may be taken at any membership meeting, may be taken without the meeting by the distribution of a written ballot to every member entitled to vote on the matter. Nothing in these bylaws shall be construed as prohibiting this, subject to California Corporation Code Section 7513.

Section 6.2. Meetings of the Directors

6.2.1. Regular Meetings. The Board of Directors shall have regular monthly meetings during the swimming season and bi-monthly meetings thereafter. Members may submit matters for consideration by the Board at these regular meetings. The Secretary shall post the exact dates, location and time of such meetings at the pool.

6.2.2. Special Meetings. Meetings of the Board of Directors shall be held on the call of the President. Meetings shall also be held on the request of any three (3) Directors. The Secretary shall give notice of any meeting to each Director by telephone or mail, at least two (2) days prior to the date set for the meeting

6.2.3. Quorum. Three (3) of the members of the Board of Directors shall constitute a quorum for the purpose of any Directors' meeting, and if less than a quorum is present the meeting shall have authority only to adjourn from day to day or until such time as the Directors present may deem proper.

ARTICLE 7. RECORDS

Section 7.1. Records. The records of this corporation shall consist of its Articles, these By-Laws, complete minutes of all meetings of the members and Directors, a roll of the member statements completely reflecting the financial affairs of the corporation, and such other records as the Board of Directors may designate from time to time.

Section 7.2. Inspection. All of said records shall be open to inspection of any member of the corporation at any and all reasonable times, provided a valid purpose is provided in writing for such inspection.

ARTICLE 8. BUSINESS PRINCIPLES AND PRACTICES

The organization shall be cooperative and the following principles shall be observed:

Section 8.1. Democratic Voting. Democratic principles shall govern. Each member, an individual or family unit (as applicable) in good standing, shall be entitled to one (1) vote at the membership meetings as here above provided. Proxy voting shall be permitted provided written power of proxy is presented to the Secretary at the meeting.

Section 8.2. Unbiased Organization. The organization shall be neutral with respect to race, religion and politics.

Section 8.3. Fair Hearings. Any member may be expelled by a majority vote of the membership for any act of misconduct deemed by said membership to be detrimental to the best interests of the corporation provided that said membership shall offer the member reasonable notice and opportunity to be heard before a membership meeting before any action is taken by the membership. In the event of such expulsion the member shall receive a sum of money equal to the book value of his membership interest, as established on the books of the corporation.

Section 8.4. Orderly Meetings. All meetings of this corporation shall be conducted under Robert's Rules of Order, except as otherwise provided herein.

ARTICLE 9. AMENDMENTS

Except as otherwise provided in these By-Laws or as may be otherwise required by law, these By-Laws or any part thereof may be adopted, amended or repealed by a vote of two thirds (2/3) of the members present at any regular membership meeting or a duly called special membership meeting. The motion for the amendment of the By-Laws shall be presented in writing and shall set forth the portion of the By-Laws to be amended and the proposed amendment.

CERTIFICATION OF SECRETARY

I, the undersigned, certify that I am the presently elected and acting Secretary of The Kirkwood Swim Club, a California nonprofit corporation, and the above By-Laws, consisting of 12 pages, are the By-Laws of this corporation as adopted at a duly held meeting of the members held on October 18, 2003.

DATED: 12/1/03

Catherine M. Wahed
(signature)