

BY-LAWS  
SAN ONOFRE SURFING CLUB

Adopted by the officers of the San Onofre Surfing Club on the 24<sup>th</sup> day of April 1952.  
Current revision adopted by the Board of Directors on March 20, 2022.

Article I  
NAME

As stated in the Article of Incorporation, the name of this California Nonprofit Mutual Benefit Corporation 501(c)(7) organization, hereafter referred to as “the Club”, is the San Onofre Surfing Club.

Article II  
OBJECTIVE

This corporation is a nonprofit mutual benefit corporation organized under the California Nonprofit Mutual Benefit Corporation Law. The Club is organized exclusively for such purposes within the meaning of Section 501 (c)(7) of the Internal Revenue Code of 1986. The primary purpose, aim and objective of the Club shall be to foster all phases of the sport of surfing, to work in cooperation with the Department of Parks and Recreation to preserve and maintain the road, showers, beach shacks and approved structures of the San Onofre Surfing Beach, and to seek to retain the beach in its natural state.

1. Limitations

The property, assets, profits and income are dedicated, irrevocably, to the purposes set forth in the section above. No part of the profits or earnings of the Club shall ever inure to the benefit of any of its Directors, trustees, officers, members, or to the benefit of any private individual. The Club also cannot benefit one class of members over another by charging them all the same fees but providing restricted services to a subset or by charging a subset less fees but providing them with the same or more services or products over the other members.

Article III  
BOARD OF DIRECTORS

1. Term.

The sixteen (16) member Board of Directors, whose terms shall run from March 1st of the year elected through February 28th of the following year, shall consist of present officers, the outgoing President, and a sufficient number of members elected at large to bring the board to a total of 16 persons.

2. Nominating committee.

A nominating committee, consisting of the Vice-President as chairman and at least two (2) other board members appointed by the President, shall place in nomination for the elective board members the names of not less than fifteen (15) nominees. All nominees shall possess current year membership. The committee shall be

formed at the second meeting in June and shall present its recommendations for the board approval at the September meeting. An election ballot will be made available to all members, accompanying the renewal of membership form, to be postmarked or returned back to the Club via mail or email by February 15<sup>th</sup>.

3. Nomination by petition.

In addition to nomination by committee, any member's name may be placed in nomination by a petition signed by twenty-five (25) active members. To be valid such petition shall:

- a. Be received by the chairman of the nominating committee no later than the first day of August.
- b. Contain legible signatures and dates of signatures indicating that the signatures were obtained during the immediately prior six-month period.
- c. Indicate the originator of the petition and be for an individual candidate only.
- d. Be subject to approval by the board.

4. Election.

The annual election of Board members shall be by electronic means or written ballot postmarked no later than the 15<sup>th</sup> of February. The nominees with the highest vote totals shall be seated on the Board.

5. Meetings.

The board shall meet three (3) times each year: The third Sunday in March, the Sunday following Memorial Day weekend, and the last Sunday of September. All meetings of the board shall be open to any active member. Twice each year, on the Sunday following Memorial Day weekend and the last Sunday of September, the board shall meet on the beach, provided the beach is open to the public, with notice having been posted on the Club's website prior to the meetings. In addition, meetings of the board may be called-for extenuating circumstances by the president upon giving each director not less than twenty-four (24) hour notice of said meeting. These additional meetings may be held at any convenient location including online in a virtual platform.

6. Quorum.

A quorum shall consist of nine (9) members of the Board of Directors.

7 Responsibilities of directors.

Directors shall maintain their club memberships in good standing at all times. Failure of a director to renew their membership by the 15<sup>th</sup> of February, in time to tally the ballots, may result in replacement of said director at that meeting. Replacement may be made by a 2/3 majority vote by the Board of Directors, with consideration going to the next highest vote-getter who will be offered the position immediately preceding election. Any director failing to attend at least two of the three annual meetings held on the third Sunday in March, the Sunday following Memorial Day weekend and the last Sunday of September of any one year without having reported acceptable extenuating circumstances which preclude their attendance shall be replaced at the time of the September meeting in the manner described above.

## 8. Standard of Conduct

Directors must comply with the provisions and limitations of California Corporations Code, 501(c)(7) provisions of the Internal Revenue Code and any other applicable laws. In addition, directors have three primary legal duties known as the “duty of care,” “duty of loyalty,” and “duty of obedience”.

- a. Duty of Care: Take care of the Club by ensuring prudent use of all assets including the road, the beach, the facilities, approved structures, the membership and their goodwill.(Code §§5231)
- b. Duty of Loyalty: Ensure that the Club’s activities and transactions are, first and foremost, advancing its mission; recognize and disclose conflicts of interest; make decisions that are in the best interest of the entire Club membership; *not in the best interest of the individual board member* (or any other individual or for-profit entity)(Code §§5231, 7231, 9241)
- c. Duty of Obedience: Ensure that the Club obeys applicable laws and regulations; follows its own by-laws; and that the Club adheres to its stated purposes/mission.(Code §§5231)

## 9. Amendment of by-laws.

The Board may amend the by-laws by an affirmation vote of not less than 3/4 majority of the full Board of Directors.

## Article IV OFFICERS

The Club’s officers shall consist of a president, a vice president, a secretary/treasurer, and a sergeant at arms who shall be elected annually by a majority vote of the Board of Directors from members of that body on the last Sunday of September. Their term of office shall run from October 1st to September 30th. An officer who fails to carry out their duties to the satisfaction of the board may be replaced by a 2/3 vote of the board at the regular or special meeting of the board to which all board members must have been sent written notice of such intended action.

### 1. President

The duties of the President shall be to:

- a. Preside over all meetings of the Board of Directors as chairperson with voting privileges.
- b. Sign as President all contracts and other instruments which have been approved by the board.
- c. Call all the Board of Directors together whenever they deems it necessary and generally discharge such other duties as may be required of them by the by-laws of the Club.

### 2. Vice-President.

If at any time the President shall be unable to act, or in ~~his~~ their absence, all duties shall be performed and their powers exercised by the Vice-President. The Vice-President shall serve as chairman of the nominating committee.

3. Secretary/Treasurer.

The Secretary/Treasurer shall keep a record of all meetings, shall review all meeting minutes and submit these to the Board for approval within 10 days after the said meeting.

3a. Business Secretary:

With a majority vote of the Board of Directors, the Club may employ the services of a business secretary who shall keep all the funds of the Club in a banking account properly identified as the Club account with record of all receipts and disbursements, in addition to other duties, as assigned.

4. Sergeant at Arms.

The Sergeant At Arms shall assist the President while presiding over meetings to preserve order and assure that proper procedure and decorum is followed at all times. Further, the Sergeant At Arms will convey to all members of the Board of Directors what is reasonably expected of them.

Article V  
MEMBERS

1. Eligibility.

Any person who has a bona-fide interest in surfing a desire to protect, preserve and maintain the surf break and the beach in its natural state, and is willing to abide by the Club's mission statement, may become a member.

2. Membership fee.

Membership fees shall be fixed by the board from year to year in such amounts as in their judgment is for the best interest of the Club. Admittance to membership is the full and sole consideration for the payment of the membership fee.

3. Membership cards and decals.

All members will receive membership cards authenticated by one of the officers and automobile decals.

4. Rights of members.

Each member shall, upon request, be furnished a copy of these by-laws and changes thereto, and shall be bound by and subject to them. Every club member shall have the right to participate in all Club-sponsored events, on a first come, first serve basis.

5. Liability.

Any member, member of their family, guest, or other person who in any manner makes use of or accepts the use of any facility, privilege, or engages in any game, contest, competition, or other beach activity shall do so at their own risk, and shall hold the Club its officers and board members harmless from any loss, injury, damage, or liability resulting there from. A waiver to this effect shall be included on the renewal form.

6. Conduct.

All members, their families, guests, or other persons using the facilities of the surfing beach shall comply with all rules, regulations and posted orders mandated by the State of California, in addition to following the Club's by-laws. Failure to

comply with these rules, regulations and posted orders shall have the same effect as any infraction of these by-laws.

7. Termination of membership.

The Board of Directors may suspend or terminate any membership without recourse on the part of the member for any act in violation of the by-laws.

8. Honorary memberships.

Past presidents of the Club and Spirit of San Onofre award winners shall be awarded an honorary membership for life in recognition of services performed on behalf of the Club. Such members shall be exempt from payment of membership dues.

## Article VI FUNDS

This organization has been created exclusively for purposes subsequent to section 501(c)(7) of the Internal Revenue Code. All funds received into the treasury with the exception of those required for operations shall be used for the improvement of the facilities of the surfing beach as pertains to cleanliness, security, sanitation, and safety not already provided by the State. In addition, funds may be used for Club sponsored activities. Expenditures shall be in accordance with the Club's 501(c)7 tax status and the operating budget adopted by the Board of Directors for each fiscal year. No part of the earnings, properties, or assets of the Club, shall be used to the benefit of any private person(s) or individual, or to any director or officer of the Club. Financial records of the Club shall be audited by a certified public accountant.

## Article VII ASSETS

In the event of dissolution, after paying or adequately providing for the payment of the debts, obligations and liabilities of the Club, the assets of the Club, if any, shall be distributed to a non-profit fund, foundation or corporation which has established its tax-exempt status under Section 501(c) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law). This shall be decided upon by a majority vote of the Board of Directors of the Club at the time of dissolution.

## Article VIII CONFLICT OF INTEREST

The Tax Code prohibits social clubs from providing any improper private benefit to any individual member. The sole purpose of a Nonprofit Conflict of Interest Policy is to protect the 501(c)7 tax exempt nonprofit from conducting inappropriate business or make arrangements with its officers, directors, trustees, persons of interest, or anyone who would benefit directly or indirectly from public funds of the nonprofit. Any member of the Board

of Directors shall be disqualified from voting on any proposal or move in which a conflict of interest might be involved. A question as to whether a conflict of interest exists or not shall be determined by a majority vote of the other members of the board not so involved.

Legal            California Corporations Code (Code §§5231, 7231, 9241)