

Article 1. Name

The name of the Corporation shall be The Monte Sano Club, Inc.

Article 2. Purpose & Prohibitions

Section 1. Purpose

The purpose for which this Corporation is formed is to promote the health and general welfare of its members, and to provide for social and other recreational activities of its members, and in pursuance thereof, to acquire and hold real property, to erect buildings, own and operate a swimming pool and other recreational facilities and to engage in any other activities necessary or incidental to the furtherance of these objectives. The use of the masculine 'he' shall also include and refer to either gender.

Section 2. Illegal Beverages

This corporation shall not engage in the business of selling, or keeping for sale, or otherwise disposing of any liquids, or beverages that are prohibited by the laws of Alabama to be manufactured, sold or otherwise disposed of in this state, and that the said Corporation shall not permit its members to keep or store any such prohibited liquors or beverages at or near the premises of the Corporation for use by its members or others, or for distribution or division among its members or their guests, and that the said Corporation shall not maintain any unlawful drinking place or any liquor nuisance contrary to the laws of Alabama, and that if it does so, its charter and rights as a Corporation will be forfeited.

Section 3. Gambling

This Corporation shall not permit any game to be played for wages, or any gambling, or the presence of any gambling, or the presence of any gambling device on, or about the premises, or at the clubhouse of the Corporation, and that if it does any of these things that it agrees that its Charter and rights as a Corporation will be forfeited. The limitations herein contained shall not be construed so as to prohibit the playing of cards, dominos, chess, pool, billiards, or other like amusements where nothing is wagered in such game, nor shall these limitations prohibit tournament competitions in which the registration fee applies towards a prize, such as in ping pong and volleyball tournaments.

Article 3. Government

Section 1. Board of Directors

The Corporation shall be managed by a Board of Directors, eleven (11) in number. Six (6) Directors of the initial Board shall serve a one (1) year term and the remaining five (5) for a two (2) year term; thereafter, Directors elected shall serve for a two (2) year term and until their successor is elected. The officers: President, Vice President, Secretary, Treasurer, Membership, and Parliamentarian shall be elected by the Board of Directors at the first meeting for a one (1) year term.

Article 4. Officers

Section 1. Governing Officers

The Officers of the Corporation shall be a President, a Vice President, a Secretary, a Treasurer, and a Parliamentarian, all of whom shall be elected from the active members of the Board of Directors at the first annual meeting of the Board of Directors. Unless sooner removed as herein provided, the Officers shall hold office until the next meeting of the Board of Directors.

Section 2. President

The President shall preside over all meetings of the Corporation membership. He shall perform such other duties as customarily pertain to the office of President, or as he may be directed to perform by resolution of the Board of Directors. The President shall be Chairman of the Board of Directors, and ex officio a member on the Board of Directors, except in a case of a tie. The President shall be responsible for communications with the members, a task that may be delegated to others on the Board.

Section 3. Vice President

The Vice President shall have and exercise all the powers, authority, and duties of the President during his absence or his inability to act. In addition, the Vice President shall perform such duties as may be assigned to him by the Board of Directors.

Section 4. Secretary

The Secretary shall maintain an accurate list of directors and officers. He shall also keep minutes of members' and Directors' meetings, shall give the required notice of all meetings, and have custody of or access to all books, records, and papers except those in the possession of the Treasurer or Membership Director. Copies of all correspondence in the name of the Corporation shall be filed with the Secretary. The Secretary shall provide copies of minutes and other important documentation to the Club historical files.

Article 4. Officers (continued)

Section 5. Treasurer

The Treasurer shall have oversight of all funds, securities, fiscal papers and other intangible assets of the Corporation and shall interface with the Club's accountant. He shall insure that the revenues of the Corporation are deposited and that the bills, as authorized by the Board of Directors, are paid in a timely manner. He shall provide and maintain full and complete records of all the assets and liabilities of the Corporation. He shall prepare and submit at each regular meeting of the Board of Directors a financial statement of the condition of the Corporation.. He will oversee the preparation of such tax reports as local, State and Federal agencies may require.

Section 6. Parliamentarian

The Parliamentarian shall determine proper parliamentary procedures, when necessary, and his decision shall be final. All procedures shall be based on Roberts' Rules of Order unless otherwise provided in the Bylaws.

Section 7. Membership Director

The Membership Director shall hold and maintain accurate, up to date lists of all members and membership certificates and ensure that the policies regarding selling and transferring of memberships are being followed. The Membership Director shall also countersign all certificates of membership.

Section 8. Reimbursement of Expenses

Officers and Directors may be reimbursed for out of pocket expenditures as approved by the Board of Directors made on behalf of the Corporation but shall not otherwise be compensated.

Section 9. Officer Vacancies

Vacancies among the officers shall be filled by a two thirds (2/3) majority vote from among the Board of Directors.

Article 5. Directors

Section 1. Number of Directors

The number of Directors shall be as noted in the Bylaws, [Article 3, Section 1](#), above.

Section 2. Board Meeting Attendance

If a Director fails to attend regular meetings of the Board of Directors for three (3) consecutive meetings or otherwise fails to perform any of the duties required of him as Director, his office may be declared vacant by a two thirds (2/3) majority vote of the Board of Directors and the vacancy filled as herein provided.

Section 3. Board Vacancy

When a vacancy occurs on the Board of Directors, such vacancy may be filled by a two thirds (2/3) majority vote of the remaining Directors. The Directors, thus selected shall fill the unexpired term.

Section 4. Liability

The members of the Board of Directors shall not be liable to the Corporation for any negligent act or omission. The Corporation shall indemnify and hold harmless each member of the Board of Directors for any negligent act or omission on behalf of the Corporation unless such act shall have been done in bad faith or contrary to the provisions of these By-Laws. It is further intended that the members of the Board of Directors shall have no personal liability with respect to any routine or ordinary contract made by them on behalf of the Corporation if said contract was approved by the Board of Directors. The Board of Directors shall maintain property and liability insurance at levels they deem reasonable to protect the assets of the Club.

Article 6. Committees

Section 1. Appointing of Committees

The Board of Directors shall appoint such standing and special committees as may be deemed necessary. In addition, the President shall have the authority to appoint special committees as may be necessary. Examples of Committees include Operations, Social, Swim Team, Maintenance, Grounds, and Long Term Planning.

Section 2. Governance of Committees

All committees shall be under the supervision of the President, subject to the authority delegated by the Board of Directors.

Article 7. Members

Section 1. Eligibility

The eligibility for membership in the Corporation is limited to those families who are approved by a majority vote of the Board of Directors.

Section 2. Number of Memberships

The total number of members in this organization shall be limited to three hundred (300) ~~two hundred and seventy five (275)~~ family memberships. Such family memberships shall be in the name of the head of the family and shall cover only those members of the family residing within the household.

Section 2a: Phase in Provision

Sales of these additional 25 memberships will be phased at a rate to maintain an overall transfer rate of memberships of 15 per year. The selling price of the memberships will be set by the Board each year, based on the sales price of the previous 12 months of sales.

This determination is to be repeated each year prior to May 1st of each year until the 25 new memberships created are exhausted. At this point, the bylaws will be amended to remove Section 2a as it will no longer be required.

Section 3. Member Application

Each application for regular membership must be made in writing, and must be endorsed by a member and presented for action to the Membership Director of the organization for action as herein provided.

Section 4. Applicant to Membership

An applicant shall not be admitted to membership except by the affirmative vote of a majority of the Directors present at the meeting at which application is acted upon. An applicant who was previously approved for an Applicant Permit shall only require the approval of the Membership Director for admission to membership.

Section 5. Transfer of Membership #1

Membership shall be transferable, provided that such dues and assessments on such membership are current and that the proposed transferee meets all the requirements of membership set forth herein above and is acceptable to the Board of Directors. The Board of Directors will give priority to members moving out of town who must sell their membership.

Article 7. Members (continued)

Section 7. Transfer of Membership #2

The privileges of membership, except voting rights, may be temporarily transferred by a member leaving the area to his tenant residing in the home of such member for a reasonable period of time, up to one (1) year; provided that dues and assessments are current and such transferee meets all the requirements for membership and is acceptable to the Board of Directors; and provided further, that such member may not exercise his privileges of membership, except voting, during the period such transfer is in effect.

In the event of a divorce of a member family, the Club shall be notified with which party the membership has remained and the certificate shall be updated.

Section 8. Membership Certificates

Certificates of membership shall be in the form adopted by the Board of Directors and shall be signed by the President or Vice President and the Secretary. All certificates shall be consecutively numbered and shall bear the name and address of the family holding the membership represented thereby. The certificate of membership shall entitle the one (1) family residing at the same address to the use of the swimming pool and all other facilities until membership is suspended, terminated, or transferred as provided herein. Each of the members of the family, as defined, may be issued an identification card or tag, which shall be usable, only by the member named thereon.

Section 9. One Vote Per Membership

The voting power, property rights, and interests of all members shall be equal. A member holding one or more certificates of membership shall be entitled to only one vote on any and all questions coming before the members.

Section 10. Membership Fee

The Board of Directors shall establish the then current membership fee, which shall be paid by each applicant for membership in the amount and manner described.

Article 7. Members (continued)

Section 11. Late or Delinquent Dues

Any member failing to pay dues or membership fees within the time specified by the Board of Directors shall upon notice, be automatically suspended from any privileges of membership; and if after further notice such failure is not corrected in the method and manner prescribed by the Board of Directors, the Board may declare such membership and any and all fees paid therefore to be forfeited.

Section 12. Expulsion of Member

Any member may be expelled as a member of this organization for acts and conduct prejudicial to the best interest of the Corporation and the Directors thereof. Any member may be removed from membership by a two thirds (2/3) majority vote of those present at any annual meeting or by a two thirds (2/3) majority of any special meeting of the Board of Directors called for that purpose, for conduct deemed prejudicial to this Corporation. The action can be taken provided that such member has been first served with written notice of the accusation against him and shall have been given the opportunity to produce his witnesses, if any, and to be heard at the meeting at which such vote is taken. When so removed from membership, the former member shall forfeit any and all rights and interest in this organization and its property. The member so removed may appeal the expulsion action to the membership at the next annual meeting.

Section 13. Applicant Permits

Upon approval by the Board of Directors, a set number of Applicant Permits for Club privileges in a specific season, may be purchased upon payment of an amount to be set annually by the Board of Directors. An Applicant Permit shall be allowed only for those families recorded on a wait list for membership, and approved by the Board.

Article 8. Dues

Section 1. Establishment of Dues

The Board of Directors, prior to the annual meeting, shall establish dues for the ensuing season. Dues shall be sufficient to provide for the necessary expenses of the Corporation, and the property maintenance and improvement of its property. A detailed operating, maintenance and improvement budget shall be submitted to this membership at the meeting.

Section 2. Rule for Assessments

Any major assessment other than the regular dues in excess of \$10.00 for improvements or emergency expenses must be approved by two-thirds (2/3) vote of the members at a general meeting. Except as provided herein, there shall be no assessments levied against members.

Section 3. Refund Policy

No dues or part thereof shall be refunded in the event that pool operations are required to be suspended for any purpose. This may be rescinded by a two thirds (2/3) majority vote of the Board of Directors.

Section 4. Dues Payment Schedule

All dues for the forthcoming season shall be paid by March 1st. A delinquent fee of a nominal amount shall be assessed to all active memberships whose dues are not paid by April 1st. The amount of the fee shall be decided by the Board of Directors each year and promulgated prior to March 1st of that year.

Section 5. Multiple Certificates

Members holding more than one certificate are not required to pay yearly dues on additional certificates. The extra memberships are considered to be inactive.

Article 9. Directors Meeting and Duties

Section 1. Meeting Times

Regular meetings of the Board shall be held as needed, generally monthly. Special meetings may be called by the President, or any four Directors by giving seven (7) days notice to each Director. A simple majority of the Directors shall constitute a quorum.

Section 2. Special Meetings

A special Board of Directors meeting shall be called upon the request of the President, or any ten (10) members, at which meeting several representatives of said members may attend to present any problem and propose solutions for consideration by the Board.

Section 3. Time and Place of Meetings

Meetings shall be held at a reasonable time and place within the membership area.

Section 4. Duties of the Board Directors

The duties of the Directors shall to be to control and manage the business of the Corporation. Their authority shall extend to, but not be limited to, such actions as:

- a. Publishing and enforcing reasonable house rules for the use of the Corporation facilities.
- b. Establishing annual dues.
- c. Adopting reasonable rules concerning the admission of guests and the charges, if any, to be levied upon members who invite such guests.
- d. Accepting or rejecting proposed members by secret ballot.
- e. Determining the opening and closing dates of the swimming season, and any other activities.
- f. Securing and terminating the services of any persons employed by the Corporation; confirming that lifeguard staff are certified and have been trained to follow current procedures.
- g. Preparing and submitting a financial report to members at the annual meeting.
- h. Authorizing the incurring of obligations.
- i. Naming an Audit Committee or otherwise providing for an outside review of the Corporation's books and records at least annually.
- l. Determining reasonable rates of depreciation and adopting a reasonable plan for replacement of depreciable assets following an annual inspection and report from a qualified professional or member as determined by the Board.
- k. Electing Directors and Officers to fill vacancies until the next annual meeting of members.
- l. Assuring availability of, and adherence to, an up to date staff policies and procedures manual.

Article 9. Directors Meeting and Duties (continued)

Section 5. Voting by Email

The Directors shall have the right to take action on the absence of a meeting by voting electronically. This voting procedure is intended to be used in deciding and approving routine and ordinary issues such as budget items, scheduling, and other repetitive matters needed in operating the normal business of the club. Any result of the vote taken, shall have the same effect as though taken at a meeting of the Board of Directors. If any four (4) Directors, defer to a meeting in person, the matter shall be decided under [Article 9, Section 1](#) (Directors Meetings and Duties).

Article 10. Membership Meetings

Section 1. Annual Membership Meeting

There shall be an annual meeting of the members held during the year at such a time and place within the membership area, as the board of Directors shall designate.

Section 2. Meeting Requests by Members

A special meeting of the members may be called by the President and shall be called by him on the written request of not fewer than ten (10) members or by any affirmative majority of the Board of Directors.

Section 3. Notice of Meetings

At least ten (10) days before the date of the annual or special meeting of the members, the Secretary shall cause written notice thereof to be delivered or mailed to each member at the address appearing for such member on the records of the Corporation. The notice shall, in the case of a special meeting, specify the business to be transacted.

Section 4. Quorum

At any annual or special meeting, twenty five (25) members shall constitute a quorum.

Section 5. Eligibility for Voting

Fifteen (15) days prior to any annual or special meeting, the membership list of the Corporation shall be closed and the list of the members eligible to vote shall be made up. A member may vote in person, by electronic ballot (see Article 10, Section 6), or by proxy designated in writing or electronically. No proxy shall be valid except for the particular meeting designated therein, and no proxy shall be honored unless filed with the Secretary of the Corporation before the appointed time of the meeting.

Section 6. Electronic Voting

All matters brought before the membership for a vote shall be submitted for electronic balloting, affording all memberships in good standing the opportunity to cast a vote. In the case where an electronic method has not be specified by a member, ballots are to be provided in person or by US mail.

Article 11. Property and Finances

Section 1. Authorization of Repairs

The Corporation is authorized to contract for any obligation in furtherance of its stated objectives which in the judgment of the Board of Directors can reasonably be expected to be paid out of membership fees and dues receivable.

Section 2. Using Club Property for Security

Tangible property of the Corporation may be transferred or pledged as security only after two thirds (2/3) majority of the Board of Directors shall have approved such transfer and in the case of real property, after a two thirds (2/3) majority of the members at a meeting specially called for said purpose have also approved such transfer of pledge.

Section 3. Depositing Club Funds

The funds of the Corporation shall be deposited only in the National Banks, State Banks, or Trust companies, operating in accordance with the laws of the State of Alabama, and only in the institution the deposits of which are insured by the Federal Deposit Insurance Corporation.

Section 4. Depositing Funds In A Timely Manner

All funds of the Corporation shall be deposited in such qualified depositories as the Board of Directors may, from time to time, by written resolution, designate, and shall be so deposited within a reasonable time after their receipt.

Section 5. Disbursement Policy

All disbursements of the funds of the Corporation shall be made by checks signed by two of the Directors, provided, however, that the Board of Directors may, by resolution, provide for the establishment and replenishment of an administrative petty cash fund not exceeding fifty dollars (\$50.00), for postage, etc., and an Operations petty cash fund not to exceed \$200 for concession and supply purchases. The Board of Directors may, by resolution, allow cash disbursements, approved in advance for the payment of certain food vendors and live entertainment.

Section 6. Treasurer to be Bonded

The Board of Directors will secure the faithful performance of the Treasurer by means of adequate fidelity bonds or other means specifically approved by the Board of Directors.

Article 11. Property and Finances (continued)

Section 7. Investment of Club Funds

Other than as directed in [Section 3 of Article 11](#), the funds of the Corporation may be invested only in obligation of the United States Government. They may not be loaned to or invested with an Officer, Director, or member of the Corporation or with any other person, agency or Government instrumentality.

Section 8. Annual Audit

The accounts of the Corporation shall be audited annually by a method to be specified by the Board of Directors. The report of this audit is to be presented at the annual meeting of the members. The auditor, as named by the Audit Committee, shall not be either an Officer of the Corporation or a member of the Board of Directors.

Article 12. General

Section 1. Communication with Members

Communication with members shall be primarily by email. By maintaining membership in the Corporation, a member agrees to accept email as the primary form of communication regarding Corporation information, membership and related issues.

Section 2. All Business to be Lawful

All powers, authority, duties and functions of the members, Directors, Officers, and employees of the Corporation shall be exercised in strict conformity with applicable provisions of the law and regulations and of the Constitution and Bylaws of the Corporation.

Section 3. Expulsion of Director or Officer

Any Director or Officer of the Corporation may be removed from office by the affirmative vote of a two thirds (2/3) majority of the members present in person or represented by proxy at a special meeting called for the purpose, but only after an opportunity has been given to him to be heard.

Section 4. Temporary Officers

When an Officer is absent or otherwise unable to perform the duties of his office, the Board of Directors, may, by resolution, designate another member of the Board of Directors to act temporarily in his or her place.

Section 5. Recording of Elections & Meetings

Returns of elections and proceedings of all meetings of the Board of Directors and members shall be recorded in the Minutes Book. The minutes of all meetings shall be signed by the President and Secretary or by those acting in their place. Annually, the minutes shall be deposited to the historical records.

Article 12. General (continued)

Section 6. Member Inactive Status

Members may become eligible for an inactive status (nonpaying dues) if and when all the following conditions have been met:

- a. The Subject member's place of residence becomes located outside an area included within the radius of twenty five (25) miles from the limits of the City of Huntsville, Alabama.
- b. The anticipated period of residency outside said area is more than twelve (12) months.
- c. Subject member submits to the Board of Directors in writing, a request, that he or she be placed in an inactive, non-dues paying, non-voting status.
- d. That such request is approved by action of the Board of Directors, and the members notified.

Inactive status can remain in effect for a maximum of three (3) years. At the end of three years, subject member must convert membership to an active status or transfer the membership under the Article 7 guidelines set forth in this document.

Section 7. Fiscal Year for Dues

The fiscal year for dues shall be from November 1 to October 31 of the following year. Requests received after the due date of November 1 shall not constitute grounds for refund of dues which may be due or paid for said period.

Section 8. Correcting Bylaws

When misspellings, spacing problems, numbering problems, clarification of pronouns, typing errors, inconsistent fonts, or formatting style, are discovered in the Bylaws, these will not constitute amendments and can be corrected by the Secretary upon discovery and reposted to the website.

Article 13. Order of Business

At the first meeting, the Officers shall determine the order of business to be conducted at Board of Director's meetings.

Article 14. Amendments to the By-Laws

Amendments to these By-Laws may be adopted by the affirmative vote of two thirds (2/3) of the members at a duly held meeting of the members. Members shall be notified of such proposed amendments within ten (10) days prior to meeting of members.

Section 12.8. Correcting Bylaws

When misspellings, spacing problems, numbering problems, clarification of pronouns, typing errors, inconsistent fonts, or formatting style, are discovered in the Bylaws, these will not constitute amendments and can be corrected by the Secretary upon discovery and reposted to the website.