

**BY-LAWS
OF
NORTHWOOD CLUB, INC.
HAGERSTOWN, MARYLAND**

**Revised – Season 2000
Revised – Season 2009
Revised – Season 2011**

ARTICLE I - Name

Section 1 Name

- A. The name of the Club shall be NORTHWOOD CLUB, INC.

Section 2 Principal Office

- A. The principal office of the corporation is located in Washington County, State of Maryland.

Section 3 Change of Address

- A. The designation of the county or state of the corporation's principal office may be changed by amendment of these by-laws. The Board of Directors may change the principal office from one location to another within the named county from time to time, and such changes of address shall not be deemed, nor require, an amendment of these by-laws:

Physical Address: 13116 Pennsylvania Avenue
Hagerstown, Maryland 21742
Mailing Address: P.O. Box 2101
Hagerstown, Maryland 21742

Section 4 Other Offices

The corporation may also have offices at such other places, within or without its state of incorporation, where it is qualified to do business, as its business and activities may require, and as the Board of Directors may, from time to time, designate.

ARTICLE II - Objective

Section 1 Purpose of Formation of Club

- A. The purpose for which this Club is formed is to promote the health, education and general welfare of its members and, in pursuance thereof, to construct, own, and operate a non-profit swimming pool and other recreational facilities, together with such incidental objectives as are appropriate, in the conduct of its activities in Washington County, State of Maryland, for the exclusive use of its members, their families, and guests as covered by the Rules and Regulations.

Section 2 IRC Section 501(c)(3) Purpose

- A. This corporation is organized exclusively for the purposes as specified in Section 501(c)(3) of the Internal Revenue Code.

ARTICLE III - Government

Section 1

A. The Club shall be managed by a Board of Directors elected by the membership at the annual meeting. The directors shall be elected from among the adult members (18 years or older) for a term of three (3) years. The Board shall number fifteen (15)

Section 2

A. On or before September 15 of each year, the Nominating Committee shall give the Secretary at least 6 director nominees, who will have consented to their nomination. The President will designate the members of the Nominating Committee.

Section 3

A. The Board of Directors shall cause the names of all legally posted candidates to be printed on a ballot with blank spaces provided for candidates who may be nominated from the floor, and said ballot shall be the only ballot counted at the annual meeting. Nominees from the floor must consent to their nominations.

Section 4

A. Any member of the Board of Directors who shall cease to hold membership in the Club shall automatically cease to be a member of the Board of Directors.

Section 5

A. When a vacancy occurs on the Board of Directors, the Board shall fill such vacancy from the club membership.

Section 6

A. In the event that a board vacancy cannot be filled by the provisions in Section 5, a current board member may be allowed to extend their term for one additional year to fill such vacancy, subject to board approval.

ARTICLE IV - Board of Directors

Section 1

Consistent with these By-Laws, the Board of Directors shall:

A. By a majority vote, the board may transact all Club business, and make and amend rules for the use of the Club property. It may appoint and remove such officers, clerks, agents, servants, or employees as it may deem necessary and may fix their duties and compensations.

B. Fix, imposes, and collects penalties for violations of these By-Laws and the rules of the Club.

C. Elect from the Board of Directors a President, a Vice-President, Treasurer, Pools and Grounds Chairperson, and a Secretary, all of who shall serve without compensation.

D. Constitute and appoint committees and define the powers and duties of the same.

Section 2

A. The Board of Directors shall designate the bank or banks in which the funds of the Club shall be deposited and determine the manner in which checks, drafts, and other instruments for the payment of funds of the Club shall be executed. All checks and drafts over \$500 must be signed by one Club officer and the Vice President and/or Treasurer; checks and drafts under \$500 shall be signed by the Vice-President and / or Treasurer.

B. No capital expenditure shall be made by the Board of Directors in excess of \$2,500 in any year unless approved by a vote of a majority of the membership present in person or by proxy at the annual meeting or any special meeting called for that purpose.

Section 3

- A. The Board of Directors shall cause the books of the Club to be audited annually by auditors selected by the Board of Directors, who shall neither be Directors nor officers of the Club, and the report of the auditors shall be available to the members at all times.

Section 4

- A. The Board of Directors shall meet monthly and at such other intervals, as they may deem necessary.
- B. A majority of the Board of Directors constitute a quorum.
- C. Members of the Board of Directors have a responsibility to attend all scheduled Board meetings. If any Board member misses three consecutive Board meetings that member shall be subject to replacement unless the Board shall determine that one or more of the absences was for good cause. Replacement shall be in accordance with Article IV, Section 6, Part A, and Article III - Section 5, Part A and Section 6, Part A.

Section 5

- A. Nothing in these by-laws shall be construed to permit the Board of Directors to borrow or pledge the credit of the Club without the specific approval of the membership at a duly held meeting.
- B. The Club shall maintain a reserve fund to provide emergency funds to cover emergencies which were not budgeted and are necessary to keep the pool or other facilities operating. The Board of Directors may authorize expenditures from the emergency fund. This fund may not exceed \$60,000 and will be accumulated from the unused funds at the end of the year.

Section 6

- A. Any member of the Board of Directors may be removed from office by a majority vote of the membership present in person or represented by proxy at either an annual meeting or a special meeting called in accordance with these by-laws.

Section 7

- A. A Board member may not be a paid employee of Northwood Club, Inc.

ARTICLE V- Officers and Pool Management

Section 1

- A. The officers of this Club shall be a President, Vice-President, Treasurer, Pools and Grounds Chairperson and a Secretary. The President, Vice-President, Treasurer, Pools and Grounds Chairperson and Secretary shall be elected annually by the Board of Directors from among its members. The President and Vice President may serve a two year term. The President, Vice President, Treasurer, Pools and Grounds Chairperson and Secretary will serve as the Executive Committee within the Board with certain authorities as outlined by the Board.

Section 2

- A. The President shall preside at the meetings of the Club and of the Board of Directors, shall be the administrative officer of the Club, shall appoint, subject to confirmation by the Board of Directors, all standing committees, designating the Chairperson thereof, and all special committees as may be directed and shall be ex-officio, a member of all committees.
- B. The Vice-President in the absence or disability of the President shall act in place of the President. The Vice-President, under the direction of the President, attends to the business and financial operations of the Club, and shall be the chairperson of the Finance Committee, and shall be ex-officio, a member of all committees.
- C. The Treasurer shall establishment and maintain a proper accounting system, which will provide for records of accounts of the Club and shall maintain active account records for each member for invoicing or issuing refunds, etc.; and shall perform such other duties pertaining to the office, as requested by the Board of Directors. Both the Vice-President and the Treasurer shall be bonded at the expense of the Club in an amount to be specified by the Board of Directors.

D. The Pool and Grounds Committee shall exercise supervision over the pool and grounds, shall attend to the improvement and maintenance of the pool, buildings, operating equipment, and grounds, shall have authority there over, and, in conjunction with the Rules Committee, shall see that the rules and regulations of the Club are enforced.

E. In accordance with Article VIII, Section 3, Part A and Part B, the Secretary shall send out the notices of the meetings of the Club and of the Board of Directors, keep minutes, and attend to the correspondence pertaining to the office of Secretary. The Secretary shall perform all other duties pertaining to office of Secretary as may be requested by the Board of Directors, and in the absence or disability of the President and Vice-President, shall act for the President.

Section 3

A. Pool Management shall be recommended for employment by the Pool and Grounds Committee to the Board of Directors. The Executive Committee of the Club along with the Pools and Grounds Chairperson shall confirm the employment and establish the compensation package, and periods of employment for pool management and staff.

B. The Pool Management will be responsible for the operation and maintenance of the pools (main and children), tennis courts, buildings, machinery and grounds. Management shall take instructions from the Pool and Grounds committee and shall attend the Board meetings in an advisory but non-voting capacity.

C. Other duties of Pool Management will be included in job descriptions, which shall be reviewed and/or revised annually as needed.

D. All management and staff positions will run concurrent until the end of the pool season and are considered seasonal employees. Management positions will be contracted at the end of each season for the next season; however, all other positions, including lifeguards, swim coaches, and tennis pros, must be reapplied for at the beginning of the new season as prescribed by the Board of Directors.

E. Any rain day or vacation compensation for all management and staff members must be pre-approved by the Board of Directors for each season.

ARTICLE VI - Membership

Section 1

A. Family Memberships - Shall be issued to a family as defined by Maryland Law as a group of individuals who live together through marriage and all dependants of the family. Family Memberships will be issued a Series "A" Certificate and shall have one vote. Membership cards entitling use of the Club facilities will be issued to the family and all dependents of the family as defined by Federal tax standards and Maryland tax standards.

B. At its discretion of the Board of Directors may issue a "Special Membership" card provided a written request has been submitted to the Board for consideration and has been approved.

C. "Special Child Care" card may be provided to the family to be used by a "caregiver" in the absence of the parents provided a written request has been submitted to the Board for consideration and has been approved.

D. The Board has the authority to issue Individual Memberships.

E. The Board has the authority to offer Senior Discounts.

Section 2

A. The Board of Directors at the second meeting of the Board after each annual meeting of the Club shall appoint a Membership Committee for ensuing year. It shall be the duty of this committee to meet from time to time to consider applications for membership in the Club and to recommend to the Board suitable applicants for membership. Candidates are encouraged to include current club member recommendations.

B. The Board of Directors shall vote upon the admission to the Club of each applicant recommended by the Membership Committee at its first meeting after receiving such recommendation and shall confer membership only upon those applicants by two-thirds (2/3) of the

members of the Board present. The Membership Committee has the option to use email for the two-thirds (2/3) vote of acceptance to expedite acceptance to the club to use at the next board meeting.

Section 3

A. Any member of the Club may withdraw at anytime subject to the provisions of Article VII and there shall be no refund of the current year's dues. Written notification to the Board is required thru Postal mailing or email methods are recommended.

Section 4

A. Any individual of either membership classification may, for cause and after having been given an opportunity for a hearing, be suspended for a period not exceeding three months by a two-thirds (2/3) vote of the members of the Board of Directors present at any meeting thereof, or expelled by a three-fourths (3/4) vote of the entire membership of the Board. Cause for expulsion or suspension shall, in general, consist of violation of these By-Laws or of the rules of the Club, or of conduct unbecoming a lady or gentleman.

B. The Board of Directors may delegate to any responsible employee of the Club, the authority to suspend pool privileges for the violation of Club rules and regulations, provided such suspension does not exceed seven (7) days. A written report of such suspension, containing reasons therefore, shall be submitted to the President within 24 hours.

Section 5

A. All members of the Club shall be accorded use of the facilities of the Club subject to the pool rules and regulations, which shall be posted at all times on the pool grounds.

B. The Board of Directors at its discretion may extend the privileges of the Club to any person or persons.

C. The Board of Directors shall by regulate the terms and conditions upon which guests or members may use the facilities of the Club.

D. Any property of the Club broken or damaged deliberately or carelessly by a member or guest shall be promptly paid for by such member. No person shall remove any article or property belonging to the Club from the pool grounds without permission of the Board or pool management.

E. The Club assumes no responsibility, and members or their guests can have no claim against the Club for the property of members, or any guest which may be brought into or left in the Club buildings or on the grounds.

F. The Club assumes no responsibility, and members or their guests can have no claim against the Club for any accident or injury to any person or their property.

Section 6

A. The number of memberships of the Club shall be established at four hundred (400), but in the discretion of the Board of Directors, this number may be increased not to exceed a limit of five hundred (500).

Section 7

A. At any annual or special meeting, each current membership shall be entitled to one vote. A membership may vote in person or by proxy designated in writing.

Section 8

A. Members desiring to transfer must be in good standing with the Club.

B. Request must be made in writing to the Board of Directors in consideration for approval.

C. Memberships may be transferred only to the son or the daughter of the family membership or an individual membership.

D. Persons receiving their membership by transfer must be approved by the Board of Directors by two thirds (2/3) vote of the members of the Board of Directors present at the meeting.

E. Upon the completion of the transfer, the original member forfeits all rights and privileges of Northwood Club, Inc.

F. The initiation fee and the application fee shall be waived on this transfer. Stock fee is transferred to the new member.

Section 9

A. Membership Preference_- Former members in good standing or the sons or daughters eighteen (18) years of age or older of current or former members shall be given preference over all other applicants for membership.

Section 10

A. Divorce and Separation - In the event of an absolute divorce and/or written separation agreement between a husband and wife who held a family membership, the husband and/or wife shall notify and provide written legal documentation to the Board of Directors which spouse (if either) will retain the family membership. Failure to advise and provide legal documentation to the Board of Directors within thirty (30) days of the granting of the absolute divorce or the execution of a written separation agreement shall result in termination of membership including privileges for all members of the family.

Section 11

A. For the benefit of the club, the Board of Directors can establish and approve any membership promotional activities and concepts during the normal pool season.

ARTICLE VII - Dues and Fees

Section 1

A. The Board of Directors, at its second meeting after the annual meeting of the members, shall establish dues for each class of membership for the ensuing year as outlined in Article VII, Part C.

B. Dues shall be sufficient to provide for the necessary operating expenses of the Club and the proper maintenance and improvement of its property.

C. Annual dues for membership shall be established by the Board of Directors but shall not exceed an amount approved by the membership at the annual meeting. Such amount must be sufficient to cover the approved budget.

D. Other incurred charges will be included on the dues statements rendered the following year. If the member should cancel his membership, the amount due shall be deducted from his membership refund.

Section 2

A. The cost of a membership and initiation fees shall be set forth annually by the Board of Directors and presented in writing at the annual general membership meeting. The membership fee is refundable in accordance with Section 3 of this Article but the initiation fee is not refundable. The membership fee shall be increased in value to cover capital expenditures as follows:

B. When capital expenditures for new capital items are approved by vote of the membership, the value of the membership's share shall be increased provided the accumulated capital expenditure is \$4,000 or multiples thereafter of \$2,000 and is voted in a single fiscal year. The increase in value of a membership share shall be determined by dividing the capital expenditure by the existing number of shares. Increases after the first \$10.00 per share shall be in increments of \$5.00. Capital items thus approved by the membership are to be financed by membership assessment and not by dues. If capital items do not equal the amount required for assessment, they are to be financed within regular dues. Assessment revenues shall be deposited in a separate bank account and used only for approved specified capitalization. Capital items shall be defined as land, buildings and equipment, and major improvements which fall within the amounts specified above.

C. Replacement of existing capital items may be capitalized for the difference between the original costs of the item being replaced and the new cost, providing the amount of the difference meets the requirements in paragraph A of this section. Otherwise, such expenses shall be financed within regular dues.

Section 3

A. Except for payment as hereinafter provided each membership shall become null and void upon the date that the holder thereof ceases to be a member for any cause. The time and manner in which the holder shall be paid the value of his membership, subject to the provisions of Section 6 of this Article, shall be determined by the Board of Directors, provided, however, that each membership shall be redeemed in the chronological order in which the memberships terminate, and as soon as payment is received from an incoming membership.

B. Members who have resigned and settled their accounts in full and who may request to return to the Club may be placed at the top of the waiting list. A former member who returns to the Club shall pay the current membership share cost, initiation fee, and dues as if he were a new member.

Section 4

A. In the event of the dissolution of the Club in any manner or for any cause, and in no event upon the effective date of dissolution of the Club, membership shall be a lien upon the proceeds of the sale of the property of the Club, after the payment of all its just debts and obligations to the extent of the then value of membership as fixed by these by-laws, subject to set off of all debts, dues and obligations owed by the holder of the Club. After payment of all memberships outstanding upon the effective date of dissolution of the Club, the surplus remaining shall be paid and distributed pro-rata among the then membership of the Club.

Section 5

A. Invoices covering dues and other items due by members of the Club shall be distributed by mail or email on or before March 15 with payment due by May 1 of each year. If payment or notice of resignation is not received by May 1, the delinquent membership will be referred to the Board of Directors. The Board of Directors will then issue a written notification to the member of their delinquent payment and advise that they have ten (10) days to make payment or notify the board in writing of their resignation. If member indebtedness shall not be paid in ten (10) days after the sending of such notice, the membership will be terminated and the member shall cease to hold membership in the Club. The terminated membership shall then be offered to the next eligible applicant. Re-instatement of terminated membership procedures are outlined in Article VII, Section 3, Part B.

Section 6

A. Upon termination of membership for any cause, all indebtedness owing to the Club by the member shall be a lien upon and charged against the membership, and the membership may be taken over by the Club to satisfy such indebtedness. In the event of the Club being unable to obtain possession of the membership, it may be canceled on the books of the Club, and a new membership issued in place thereof to a newly elected member on payment by the member to the Club of the then value of a membership as fixed by these by-laws. In case of the enforcement of a lien, as above herein provided, neither the signature of the holder nor the delivery of the membership shall be requisite to complete the transfer to the Club, or to a new possessor, and the Treasurer of the Club, for the time being, is hereby authorized as the attorney of the holder of such membership to make such transfer. Every membership issued is expressly subject to the provisions of this section.

Section 7

A. Membership shall be responsible for the payment of all charges or liabilities that may be imposed upon or incurred by members of their family to whom the privileges of the Club have been extended, and for all charges and liabilities imposed upon or incurred by guests introduced by them.

Section 8

A. All dues, fees and other charges mentioned herein are exclusive of taxes imposed by the Federal, State, or other governmental bodies and agencies. Taxes will be shown as separate items on the Club dues statement.

Section 9

A. The board has the right to create and offer a Finance Program to prospective new members. This program will be outlined in detail and will not adversely affect the Stock Holders. This offer should be designed as a one time opportunity per family for new members; however, possible special financing can also be offered to existing members with board approval on a case by case basis.

Section 10

A. The board has the right to create and offer a program to former members that makes a request to rejoin the club. This program would not apply to former members whose membership was terminated for cause (except for non-payment of dues).

ARTICLE VIII - Meetings

Section 1

A. The annual meeting of the Club shall be held after the end of the pool season and before the end of the calendar year each year, at such place and time as the Board of Directors may determine.

B. The annual meeting shall be for the purpose of electing Directors, presenting committee reports, and for the transaction of such other business as may be indicated in the notice, or may be brought before it.

Section 2

A. Special meetings of the Club may be called by the Board of Directors upon the written request to the Secretary of ten (10) memberships stating the purpose of the special meeting. If approved by the Board of the Directors, a special meeting shall then be called by the Secretary within thirty (30) days.

Section 3

A. Notice of the annual meeting shall be given by postal or electronic mail to the membership at least five (5) days prior thereto. The notice of the annual meeting shall include the names of candidates nominated by the Nominating Committee.

B. Special meetings of the Club may be held on fifteen (15) days notice by postal or electronic mail to all memberships. The notice shall state the purposes for which the special meeting is called, and no other business shall be transacted thereat.

C. Written notice of Special Board meetings shall be given to each member of the Board at least seven (7) days before the date of the meeting.

Section 4

A. Only memberships shall be entitled to vote at meetings of the Club. Any membership may be represented by proxy if not able to attend in person. Voting may be by via voice, but ten (10) memberships, including those represented by proxy, shall have the right to demand voting by roll call.

Section 5

A. Five (5) percent of the existing general memberships, present in person or by proxy, shall constitute a quorum at all Annual or Special Club meetings in order to properly conduct Club business and make Club decisions.

Section 6

A. Whenever a by-laws notice to memberships is required, the primary notification will be done via electronic mail and posting on our Northwood website. Only in cases where specifically requested or deemed necessary by the Board of Directors will regular mail be the method of notification for future meetings. Members are responsible for providing current email address or a written request for regular mail.

Section 7

A. The Board of Directors shall hold its first meeting following the annual meeting of the memberships in each year as promptly, as practical.

B. The Board of Directors may, by resolution, establish from time to time a schedule of its meetings and rules for the conduct thereof.

C. Special meetings of the Board of Directors may be called by the President, and shall be called by the Secretary upon the request of four (4) members of the Board.

D. Notice of Board monthly meetings shall be provided to each member of the Board at least five (5) days before the date of the meeting. Notice of Special Board meetings shall be provided to each member of the Board in accordance with Article VIII, Section 3, Part C.

ARTICLE IX - Committees

Section 1

A. The Standing Committees shall be Pools and Grounds, Program, Membership, Publicity and Rules and Regulations. Adhoc Committees shall be established by the President as necessary.

B. The duties and powers assigned in these by-laws to the standing committees shall be subject to the authority of the Board of Directors.

Section 2

A. Program Committee shall prepare the program of instructions and entertainment and exercise supervision over same. This shall include swimming, teen nights and adult nights and other programs approved for the membership.

Section 3

A. Membership Committee, in accordance with Article VI, Section 2, shall investigate all applications for membership and report to the Board of Directors.

Section 4

A. The Communications and Publicity Committee shall have as their primary duties to communicate information and events to the membership through management of the Northwood website. In order to improve efficiency and reduce cost, our website and electronic communication will become the primary informational tool for our Club. Regular mailings will still be available for those who request it to the Board in writing.

Section 5

A. The Finance Committee shall prepare the annual budget for submission to and approval by the Board of Directors, and shall exercise general supervision over the financial transactions of the Club. The Vice-President and Treasurer shall be members of this committee.

B. The Finance Committee shall submit financial data to the Board of Directors so that a report of operating expenses as compared to the budget may be presented to the membership at the annual meeting. They shall also present the budget for the coming year.

C. Cost of each maintenance and/or replacement item and certain capital items are to be reported in Operating Expenses, according to Article VII, Section 2, Part B. Specific items amounting to \$2,500 or more shall carry an explanation.

D. Capital items which fall under Article VII, Section 2, Part A shall be listed and explained separately.

Section 6

The Rules Committee will have the following principal responsibilities:

A. To prepare changes to the Club's by-laws and present them to the Board of Directors for approval. The President will present the recommended by-law changes to the Club membership at the annual meeting at the end of the seasonal year.

- B. To prepare Policy and Procedures and Rules and Regulations to be followed by all Club members for the health and good conduct in connection with the operation of the pool.
- C. Proper posting of Policies and Procedures and Rules and Regulations in conspicuous locations on the Club property and disseminating written copies of the rules to newly admitted members.

Section 7

A. The Board of Directors may create a committee to review the by-laws, policies and procedures of the Club.

B. The Board shall create a committee to develop job descriptions for all paid staff including but not limited to the bookkeeper, pool manager, head guard, assistant head guard, lifeguards, swim coaches, and tennis coaches.

ARTICLE X - Miscellaneous

Section 1

A. Each person who acts as a Director or officer of the Club shall be indemnified by the Club against expenses actually and necessarily incurred by them in connection with the defense of any action, suit or proceedings in which he is made a party by reason of his being or having been a Director or officer of the Club, except in relation to matters as to which they shall be adjudged in such action, suit or proceedings to be liable for gross negligence or willful misconduct and except any sum paid for the Club in settlement of an action, suit or proceedings based on gross negligence or willful misconduct in the performance of their duties.

B. The right of indemnification provided herein shall inure to each Director and officer referred to in Section 1A hereof, whether or not they were a Director or officer at the time such costs or expenses are imposed or incurred, and in the event of their death shall extend to their legal representatives.

Section 2

A. Any question as to the meaning for proper interpretation of any of the provisions of the Club by-laws shall be determined by the Board of Directors.

Section 3

A. Wherever mention is made herein to age of members, it shall be the age attained as of January 1 of the current year.

Section 4

A. The Club by-laws may be amended by a two-thirds (2/3) vote of the members present or represented by proxy at any meeting of the Club; provided, at least fifteen (15) days notice of such amendment by mail shall be given to each member. The proposed by-law change may be made upon petition by five (5) percent of the voting members having provided the Board of Directors with the signed petition at least thirty (30) days prior to the mailing of the aforementioned notice; or a proposed By-Law change shall be submitted to the membership by resolution passed by a majority of the Board of Directors present and voting.