

SEVEN LOCKS POOL, INC.
P.O. Box 34509
BETHESDA, MARYLAND 20827

--BY LAWS--

[Amended as of 03/09/2010]

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ARTICLE I - Name and Purpose

Section 1. The name of this organization shall be Seven Locks Pool, Inc.

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Section 2. The purpose of this Association is to promote the health and general welfare of its members through the construction, ownership and operation, on a non-profit basis, of a swimming pool other recreational facilities.

ARTICLE II - Membership

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Section 1. The Association membership shall consist of individuals and family units residing in the Bethesda community and nearby communities in Montgomery County, Maryland and the District of Columbia. A family unit shall consist of the head of a household and the resident members of the family and, upon approval by the Board of Directors, any other person permanently residing with the family.

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Section 2. Each application for membership must be made in writing on a Membership Application Form, and must be presented to the Board for action at a regular or special meeting.

Section 3. 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 the application is acted upon or when accepted by the director who has been given this authority by said Board of Directors.

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Section 4. There will be two levels of membership: Equity Membership and Summer Membership. Equity Memberships shall be limited to a maximum of 350 family units. Summer Memberships shall be limited in accordance with these By-laws and in the discretion of the Board of Directors.

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Section 5. The Board of Directors shall determine the annual dues and membership fees in accordance with these By-laws.

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Section 6. Equity Members participate in the ownership of Seven Locks Pool, Inc. and will have such voting rights and rights of representation as set forth below in these By-laws. Effective April 1, 2010, all new Equity Members shall pay a one time, non-refundable membership fee of \$800.00. Members who joined before April 1, 2010 and who have paid in full their applicable membership fee (referred to as "Bonded Members") are considered Equity Members. Except as otherwise provided by these By-laws, Equity

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Deleted: charter members. All new members after June 1, 1963, shall pay a membership fee of \$400. Effective November 13, 1973 all members who joined prior to this date shall be assessed an additional \$40 membership

Members do not have any right to withdrawal of capital from the Association at any time prior to dissolution of the Association.

Section 7. Summer Members do not participate in the capital of Seven Locks Pool, Inc. and have no voting rights or rights of representation. Use of Association facilities by Summer Members is limited to a maximum of two consecutive regular summer seasons (Memorial Day through Labor Day). After two consecutive seasons, Summer Members must convert to Equity Membership, with payment of the Equity Membership fee in effect at that time, to continue membership in the Association. If an Equity Membership position is not available at such time, a Summer Member may continue as a Summer Member until an Equity Membership position is available.

Section 8. At the request of an Equity Member, the Board of Directors can issue proof of membership, in a form to be determined by the Board of Directors.

Section 9. Except as provided in Section 10, Equity Memberships cannot be transferred, sold or refunded.

Section 10. Upon withdrawal from membership in the Association, a Bonded Member, as defined above in Section 6, shall have the right to offer to sell such member's membership back to the Association at the membership fee originally paid less unpaid dues and/or other sums owing to the Association. This re-purchase from the Bonded Member shall be effected at the discretion of the Board of Directors, based upon the Board's consideration of the availability of new Equity Members and the financial condition of the Association.

Section 11. An Equity Member who is unable to utilize the facilities of the Association because of change of residence or otherwise, may upon written application and approval thereof by the Board of Directors become an Inactive Member in the Association without payment of annual dues. Inactive Members will not have use of the Association facilities or rights to any membership privileges for the period of inactivity. Inactive Members may renew their inactive status for a maximum of four years, upon application in writing each year, unless an extension of this period is approved by the Board of Directors. Upon re-activating the membership, an administrative fee to be determined by the Board of Directors shall be due.

ARTICLE III - Meetings of Equity Members

Section 1. All meetings of Equity Members shall be held in Montgomery County, Maryland. At least five (5) days written notice shall be given to the Equity Members of the time and place fixed by the Board of Directors and the purpose of the meeting.

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Section 2. Annual meetings of the Association, commencing with the year 1964, shall be held during the month of November, at which time the Equity Members shall elect Directors in accordance with the provisions of Article IV herein, and transact such other business as may properly be brought before the meeting.

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Section 3. The Board of Directors shall present at each annual meeting, and when called for by a vote of the Equity Members at any special meeting of the Equity Members, a full and clear statement of the business and financial condition of the Association. The fiscal year of the Association shall be fixed by resolution of the Board of Directors.

Section 4. Special meetings of the Association, for any purpose, unless otherwise prescribed by statute or by the certificate of incorporation, may be called by the Board of Directors or by request of fifteen (15) Equity Members presented in writing to the Secretary. Such request shall state the purpose of the proposed meeting, after receipt of which the Secretary shall call the special meeting requested within thirty (30) days. Written notice of a special meeting of the Association, stating the time, place and purpose thereof, shall be given to each Equity Member entitled to vote, at least five (5) days before the date fixed for the meeting. Business transacted at any special meeting shall be limited to the purpose stated in the notice.

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Section 5. Equity Members present shall constitute a quorum at all meetings of the Association for the transaction of business except as otherwise provided by statute.

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Section 6. When a quorum is present at any meeting, the vote of the majority of the voting Equity Members present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which by express provision of the statutes or of the certificate of incorporation or by these By-laws, a different vote is required, in which case such express provision shall govern and control the decision of such question.

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Section 7. Each Equity Membership shall be entitled to one vote at Association meetings, whereby Equity Membership acquired by a family unit shall be considered as a single member and the vote may be cast by any adult member of such family or his or her written proxy.

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Section 8. Written notice required by this Article shall be effective when delivered either by regular postal mail or by electronic mail, sent to the postal mailing address or electronic mail address of each Equity Member as contained in the records of the Association. Notice shall be effective as of the date of mailing.

ARTICLE IV - Directors

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Section 1. ~~The Association shall have~~ a Board of Directors ~~consisting of at least nine (9) directors. Directors shall be elected by vote of Equity Members at the annual meeting of the Association. Three (3) Directors shall be elected for a term of three years, at each annual meeting.~~ Each director shall hold office until the election of his ~~or her~~ successor. Each director shall be an ~~Equity Member (individual or an adult member of a family unit)~~. One additional ex-officio member, ~~whose term shall be one year,~~ shall represent the Swim and ~~Dive Team at Board meetings.~~

Section 2. Any vacancy in the Board of Directors shall be filled by vote by a plurality of the remaining directors; but the director so chosen shall hold office only until a successor is elected at the next annual or special meeting of the ~~Equity Members,~~ to complete the unexpired term.

Section 3. The Board of Directors shall have the general direction and control of the affairs of the Association. In addition to the duties customarily performed by Boards of Directors, the Board shall:

- (a) Elect officers as provided in Article ~~VII~~ herein.
- (b) Transact all business necessary and proper for the efficient management of the Association including the appointment and removal of such agents or employees as it may deem necessary, including the fixing of their duties and compensation.
- (c) Act upon applications for membership.
- (d) Fill vacancies in the Board of Directors.
- (e) Constitute and appoint all committees necessary for the functioning ~~of the Association.~~
- (f) Fix the terms and conditions by which guests of ~~Equity Members or Summer Members~~ may use the facilities of the Association.
- (g) Prescribe the rules and regulations for operation of the swimming pool and other recreational facilities.
- (h) Designate the depository and conditions of deposit for the funds of the Association.

Section 4. The Board of Directors shall meet at least once during each month of March through October and at other times from October to March as necessary, at such place as shall be determined by the Board.

Section 5. Special meetings of the Board may be called by the President on two days' notice to each director either personally or by ~~regular postal mail or by electronic mail.~~

Section 6. At all meetings of the Board a majority of the directors shall constitute a quorum for the transaction of

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business, and the action of a majority of the directors present at any meeting at which there is a quorum shall be the action of the Board of Directors. Directors may be removed from office by a majority vote of the members present in person or represented by proxy, at either the annual meeting of the Association or a special meeting called in accordance with the By-laws.

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ARTICLE V - Notices to Directors

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Section 1. Unless otherwise provided by these By-laws, notices to directors shall be in writing and delivered personally or mailed to the directors at their addresses appearing on the books of the corporation. Notice by mail shall be deemed to be given at the time when the same shall be mailed.

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Section 2. Whenever any notice is required to be given under the provisions of the statutes or of the certificate of incorporation or of these By-laws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

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ARTICLE VI - Nominations

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Section 1. (a) There shall be a nominating committee to be composed of five active Equity Members of the Association. Three members shall be elected at the annual meeting of the Association; two shall be elected by the Board of Directors, from among the directors whose terms of office shall not expire at the ensuing annual meeting of the Association. Vacancies occurring among the three members chosen by the Association shall be filled by the remaining members of the nominating committee. A vacancy occurring among the two members chosen by the directors shall be filled by the directors.

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(b) No later than August 15 of each year the Board shall post in a conspicuous place at the pool house, a notice of the three three-year Board positions that will be subject to election at the next annual meeting. That notice also will identify any known positions for which partial terms are to be voted upon, and it will identify the persons who comprise the nominating committee.

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Section 2. No later than October 15, the nominating committee shall nominate from among the active Equity Membership one candidate for each of the positions on the Board for which an election is to be held that year. Any person who volunteers for a position on the Board, but who is not nominated by the committee, shall be advised of that fact by October 15.

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Section 3. Additional nominations for any one of the positions on the Board for which an election is to be held that year may be made by a letter signed by five (5) Equity Members (individual or family unit) and delivered to the

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Secretary no later than November 1. Any such nomination shall specify the position for which the person is nominated.

Section 4. All nominations under Sections 2 and 3 of this Article shall be included in the notice of the annual meeting sent to all Equity Members.

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Section 5. Consent of all nominees to accept office shall be obtained in advance of their nomination.

Section 6. At the annual meeting the open positions on the Board of Directors shall be voted upon by position, not collectively. However, this provision shall not affect the Board's authority under Article VII, Section 1, to adjust the positions of Board members as it sees fit in order to carry out the business and functions of the Association.

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ARTICLE VII - Officers

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Section 1. The officers of the Association shall be chosen by the Board of Directors and shall be President, a Vice-President, a Secretary, and a Treasurer. The Board of Directors may choose additional Vice-Presidents and other officers. Two or more offices may not be held by the same person.

Section 2. The Board of Directors at its first meeting after each annual meeting of members shall choose from among the directors a President, one or more Vice-Presidents, a Secretary and a Treasurer, all of whom shall serve for one year.

Section 3. The Board of Directors may appoint such other officers, functional chair persons, and agents as it shall deem necessary to exercise such powers and perform such duties as shall be determined from time to time by the Board.

Section 4. The officers of the Association shall hold office for one year or until their successors are chosen. Any officer elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the Board of Directors. Any vacancy occurring in any office of the Association by death, resignation, removal or otherwise shall be filled by the Board of Directors.

President

Section 5. The President shall be the chief executive officer of the Association, shall preside at all meetings of the members and of the Board of Directors, shall be ex-officio a member of all standing committees, shall have general and active management of the business of the Association, and shall see that all orders and resolutions of the Board of Directors are carried into effect.

Section 6. The President shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the Association, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Association.

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Vice-Presidents

Section 7. The Vice-Presidents in the order of their seniority, unless otherwise determined by the Board of Directors, shall in absence pr disability of the President, perform the duties and exercise the powers of the President. They shall perform such other duties and have such other powers as the Board of Directors may prescribe.

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Secretary

Section 8. The Secretary shall attend all meetings of the Board of Directors and all meetings of the Association and record all the proceedings of the meetings of the Association and of the Board of Directors in a book to be kept for that purpose and shall perform like duties for the standing committees where required. The Secretary shall give, or cause to be given, notice of all meetings of the Equity Members and special meetings of the Board of Directors and shall perform such other duties as may be prescribed by the Board of Directors or the President, under whose supervision the Secretary shall be. The Secretary shall keep in safe custody the seal of the Association and, when authorized by the Board of Directors, shall affix the same to any instrument requiring it and, when so affixed, it shall be attested by his or her signature or by the signature of the Treasurer.

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Treasurer

Section 9. The Treasurer shall have the custody of the Association funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association, and shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors.

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Section 10. The Treasurer shall disburse the funds of the Association as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an accounting of all his or her transactions as Treasurer and of the financial condition of the Association. All checks for disbursements shall be signed by either the President, Vice-President, or Treasurer. The Board of Directors may determine threshold amounts above which payments require the approval or signature of at least two of the aforementioned officers and may identify

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certain disbursements that require the advance approval of the Board of Directors, and shall publish such requirements as an annex to these By-laws.

Section 11. The Treasurer shall give the Association bonds in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his or her office and for restoration to the Association, in case of death, resignation, retirement and removal from the office, of all books, papers, vouchers, money and other property of whatever kind in their possession or under control belonging to the Association. The bond premiums shall be paid by the Association.

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ARTICLE VIII - Dues / Annual Operating Budget

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Section 1. The Board of Directors shall recommend annual dues and per capita apportionment for Equity Membership and Summer Membership, necessary for the expenses of the Association and proper maintenance and improvement of its property. The Board may distinguish dues among different categories of Equity Membership, including family membership, individual membership, membership for seniors, veterans or any other distinction or structure the Board may deem reasonable at its discretion.

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Section 2. The total amount to be realized from annual dues and other charges shall be determined on the basis of an annual operating budget, prepared by the Board of Directors and approved by a majority of the Equity Members present at a meeting called for this purpose during March of each year.

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Section 3. All dues shall be payable on or before the 30th day of April each year, unless otherwise determined by the Board. The Board may determine late charges due in the event Equity Members or Summer Members fail to pay their dues by the due date or any period thereafter. No dues shall be refunded in the event that operations of the Association's facilities are suspended for any period, unless otherwise provided by the Board.

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Section 4. Any Equity Member or Summer Member delinquent in the payment of dues or other charges for thirty (30) days following receipt of a statement from the Treasurer as to such indebtedness may be suspended by the Board and refused all rights and privileges of the Association. Any member who is thus suspended shall immediately be notified in writing by the Secretary of his or her suspension and if his or her indebtedness shall not be paid with fifteen (15) days after receipt of such notice, the membership of such delinquent member may be revoked by the majority vote of the Board.

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Section 5. Any Equity Member of the Association may withdraw by written notice to the Board of Directors at any time subject to the provisions of Article II, and there

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shall be no refund of the current year's dues except as may be provided otherwise by the Board.

ARTICLE IX - Suspension and Revocation of Membership

Section 1. Any member may, for cause and after having been given the reasonable notice in writing and the opportunity for a hearing, be suspended for a period not exceeding three weeks by a two-thirds vote of the members of the Board of Directors present at any meeting thereof, or his or her membership may be revoked by a vote of not less than five (5) members of the Board. Cause for suspension or expulsion shall, in general, consist of willful violation of these By-laws, the rules of the Association, unbecoming conduct, and/or violation of county health regulations. Suspension and expulsion may be applied to a family unit or to any member thereof. No dues shall be refunded. The party expelled may appeal a decision of the Board at a meeting of the Equity Members.

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Section 2. The Board of Directors may delegate to an administrative committee, or to the responsible employee of the Association, the power to deny recreational privileges to any member of a family unit or individual for violation of Association rules and regulations for a period not to exceed forty-eight (48) hours. A report of such suspension, containing reasons therefore, shall be submitted to the President or other officer of the Association within forty-eight (48) hours.

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ARTICLE X - General Provisions

Section 1. (a) All members of the Association shall be accorded the facilities of the Association subject to the rules and regulations which shall be adopted by the Board of Directors and posted at all times at the Association's bath house.

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(b) Except as otherwise provided in these By-laws, the Board of Directors at its discretion may extend privileges of the Association to non-members.

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(c) The Board of Directors shall have the full power to deny the use of the Association's facilities to any non-member.

(d) Any property of the Association broken or damaged by a member or his or her guest shall promptly be paid for by such member, unless otherwise provided by the Board.

(e) The Association assumes no responsibility, and members or their guests can have no claim against the Association, for the property of member or any guests, which may be brought into or left in the buildings or on the grounds.

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(f) No intoxicating beverage shall be brought into the Association grounds without approval of the Board of Directors.

Section 2. The corporate seal shall have inscribed thereon the name of the Association, the year of its organization and the words, "Corporate Seal, Maryland". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

Section 3. (a) Each person who acts as a director or officer of the Association shall be indemnified by the Association against expenses actually and necessarily incurred by such person in connection with the defense of any action, suite or proceeding in which the director or officer is made a party by reason of such person's being or having been a director or officer of the Association, except in relation to matters as to which such person shall be adjudged in such action, suit or proceeding to have acted outside the scope of his or her authority or be liable for gross negligence or willful misconduct, and except any sum paid for the Association in settlement of such action, suit or proceeding based on actions outside the scope of his or her authority or gross negligence or willful misconduct in the performance of his or her duties.

(b) The right of indemnification provided herein shall inure to each director and officer referred to in (a) whether or not the person is such director or officer at the time such costs or expenses are imposed or incurred, and in the event of his or her death, shall extend to his or her legal representatives.

Section 4. No special assessments shall be levied without a majority vote of the members present at an annual meeting or a special meeting called for this purpose.

ARTICLE XI - Changes of By-Laws

Section 1. These By-laws may be altered or repealed, by vote of two-thirds of the Equity Members present, at any regular meeting of the Association, or at any special meeting, by the same vote. Notice of any proposed amendment to any By-law shall be included in the notice of the regular meeting or special meeting at which it will be considered.

[Revised 4/29/64, 11/24/64, 11/30/65, 11/30/66, 11/13/73, 11/20/75, 11/28/79, 11/19/81, 11/24/86, 5/26/96, 03/09/2010]

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Section 6. The fiscal year of the Association shall be fixed by resolution of the Board of Directors. There shall be an annual audit.¶
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