

BY-LAWS OF THE STARDUST RECREATION ASSOCIATION

ARTICLE I. MEMBERSHIP

- I.1. Stardust membership is non-discriminatory.
- I.2. Stardust shall have the following classes of membership: "Certificate of Membership [COM]" and "Seasonal".
- I.3. There shall not be more than one class of COM.
- I.4. Each COM Member shall purchase a Certificate of Membership from Stardust Pool Recreation Association.
- I.5. Certificates of Memberships are non-interest bearing. Certificates of Membership are non-transferable, non-assignable, and non-negotiable.
- I.6. A Certificate of Membership must be returned to Stardust Pool Recreation Association upon termination of Membership.
- I.7. A Certificate of Membership shall state the dollar value of the Membership.
- I.8. The Board of Trustees at its sole discretion may increase the cost of outstanding and future COMs pursuant to section 1.3.
- I.9. Each Certificate of Membership shall be evidenced by the signature of the President of the Board of Trustees and duly attested by the Treasurer.
- I.10. A copy of the By-laws and such other information the Board of Trustees deems appropriate shall accompany an issuance of a Certificate of Membership.
- I.11. The number of COM memberships shall be limited to two hundred thirty-five (235). Accordingly, at no time shall more than two hundred thirty-five (235) Certificates of Membership be issued and outstanding.
- I.12. The Board of Trustees has the authority to require the payment of an Initiation Fee concurrent with the issuance of a Certificate of Membership.
- I.13. COM Members require the payment of annual dues; any Capital Assessments or Special Assessments as determined by the Board of Trustees.
- I.14. COM holders shall be limited to an adult and spouse and all of his or her dependent children, all of whom reside together as permanent members of one household.
- I.15. COM Members have perpetual membership rights subject to the provisions of Article II.
- I.16. COM Members have voting rights in matters subject to a vote of the membership.
- I.17. Either adult member but not both of a COM Membership may vote and be elected to the Board of Trustees. Each COM membership is entitled to one vote.
- I.18. Seasonal Memberships are sold at the discretion of the Board of Trustees.
- I.19. Seasonal Memberships can be sold to a family, as a Seasonal Family Membership, or to an individual, as a Seasonal Individual Membership.

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- I.20. Seasonal Family Members shall be limited to an adult and spouse and all of his or her dependent children, all of whom reside together as permanent members of one household.
- I.21. Seasonal Members do not require the ownership of a Certificate of Membership.
- I.22. Seasonal Membership fees shall be set on an annual basis at the sole discretion of the Board of Trustees.
- I.23. Seasonal Members do not have rights similar to those afforded to COM Members nor do they have perpetual membership rights but they are subject to provisions in Article II.
- I.24. Seasonal Members do not have voting rights and may not be elected to the Board of Trustees.
- I.25. Seasonal Members shall not be permitted to renew a Seasonal Membership.
- I.26. COM Members and Seasonal Members may purchase daily Guest privileges.
- I.27. The annual number of Stardust Members shall be limited to two hundred fifty (250) members including all COM Members plus Seasonal Members.

ARTICLE II RESIGNATION, SUSPENSION OR TERMINATION OF MEMBERSHIP

- II.1. A Certificate of Membership that is not returned to Stardust Pool Recreational Association upon termination of Membership shall be null and void after six (6) months from the date of termination.
- II.2. A COM Member may resign at any time by submitting a written resignation to the Secretary. Such resignation shall not, however, relieve the COM member of any obligation to pay dues and capital Assessments except as relieved of such obligations by the Board of Trustees at their sole discretion.
- II.3. A COM Member resigning after the close of the pool season and before March 31st of the subsequent year shall be excused from the payment of dues and any Capital Assessments for the upcoming pool season.
- II.4. Any COM Member or Seasonal Membership Member may be suspended or terminated by Stardust Pool Recreational Association for good cause, after a hearing before the Board of Trustees.
- II.5. A hearing to suspend or terminate a membership shall be conducted by the Board of Trustee at the call of the President or Secretary. For a hearing to be properly held, it is required that a majority of the Trustees participate and vote at the hearing. The President shall be the presiding officer at the hearing.
- II.6. Notice of a hearing to suspend or terminate for cause must be mailed to the COM Member or Seasonal Membership Member to the address listed in the most recent annual payment form. Notice of a hearing must be mailed at least ten (10) days prior to the hearing and must set forth in reasonable detail the reasons for the hearing including any alleged facts.
- II.7. Suspension or termination can be assessed at any time after the hearing to suspend or terminate occurs.
- II.8. The hearing must afford the opportunity to the affected membership to present its case, including written or oral statements of other individuals. Notwithstanding these requirements, the hearing is not required to meet the same standards of conduct as might be required in a Court of Law.

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II.9 Hearings are closed to anyone other than the Board of Trustees and the affected membership except to the extent that the Board of Trustees and the affected membership agree otherwise. Except as the Board of Trustees and the affected membership agree otherwise, no outcome, finding, or resolution of the hearing shall be published or distributed by the Board of Trustees except as required to administer the decision of the Board of Trustees.

II.10. To suspend or terminate a membership requires a unanimous vote of the Board of Trustees participating at the hearing. The terms of the suspension or termination are at the discretion of the Board of Trustees.

II.11 Reasons to suspend or terminate a membership shall include but not be limited to, theft of any property from Stardust's premises; willful destruction or vandalism of any Stardust property; trespassing on Stardust property when the premises are not generally open to the membership; intoxication on Stardust premises; any possession or use of alcohol when the premises are generally open to the membership except for Stardust Recreation Association sanctioned adult events; any possession or use of illegal drugs on Stardust premises; serious abuse or harassment of any other individual on Stardust premises, whether verbal or physical; and/or continued disregard of Stardust's By-laws, rules, and regulations.

II.12. In addition to termination of a COM Member or Seasonal Membership Member, the Board of Trustees can require reasonable compensation or restitution for any theft or willful destruction of Stardust's property. However, the Board of Trustees may assess fines or penalties in lieu of termination of membership at the sole discretion of the Board of Trustees.

ARTICLE III MEETINGS OF MEMBERSHIP COM HOLDERS AND VOTING RIGHTS

III.1. An Annual Meeting of the COM Membership shall be held at a time set by the Board of Trustees The President may call for additional (special) meetings as required or appropriate. Special meetings may also be called by written petition to the Secretary of not less than ten (10) COM Members.

III.2. All meetings shall be in Morris County, New Jersey. While discretion is given to the Board of Trustees in selecting a time and place for meetings, the Board of Trustees shall give consideration to selecting a time and place which is conducive to maximizing the participation of the COM Membership.

III.3. All COM Members shall be notified not less than thirty (30) days prior to the date set for the Annual Meeting or ten (10) days prior to the date set for any special meeting. This notice shall state the place, date, and time of the meeting and shall contain a brief description of the matters to be voted upon by the COM Membership, including the names of all nominees to the Board of Trustees and notice of any proposal by the Board of Trustees to impose a capital Assessment and the proposed dollar amount.

III.4. The method of notification for the Annual Meeting shall be at the discretion of the Board of Trustees but at minimum a written notice must be prominently posted in accordance with section III.3 on or near the Pool office.

III.5. COM Members may vote in person or by written proxy. Each COM member is entitled to one vote.

III.6. All proxies must be in writing and must be a positive expression of the proxy givers instructions and be signed by the proxy giver.

III.7. Twenty percent (20%) of the COM Membership in person or by proxy shall constitute a quorum at any meeting, including the Annual meeting.

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III.8. If a quorum shall not be present at a meeting of the COM Members, then a majority of those present with the majority approval of the Board in attendance may suspend the quorum rules for the meeting.

III.9. Except as otherwise required by law or provided by these By-laws, all matters voted upon by the COM Members shall be decided by majority vote.

III.10. All voting rights afforded by this Article III are available only to COM Members in good standing.

ARTICLE IV. BOARD OF TRUSTEES

IV.1. All powers of Stardust as a corporation except as limited by these By-laws and those powers specifically granted or reserved to the COM Membership, shall be vested in the Board of Trustees.

IV.2. Each member of the Board of Trustees shall be a COM Member in good standing.

IV.3. The Board of Trustees shall normally consist of a minimum of nine (9) members.

IV.4. The term of office for a member of the Board of Trustees is three (3) years.

IV.5. The President shall appoint a Nominating Committee to nominate members to the Board of Trustees. The Nominating Committee shall be selected by the President and consist of at least one person from the Board of Trustees but is not otherwise limited to those on the Board of Trustees.

IV.6. The Nominating committee shall nominate no member of the Board of Trustees for more than three (3) consecutive three (3) year terms.

IV.7. In voting on the nominees to the Board of Trustees, each voting Membership COM Holder shall have as many votes as there are nominees for election to the Board of Trustees. COM Members may cast one (1) vote and no more than one (1) vote for each nominee the COM Member desires to have elected to the Board of Trustees.

IV.8. At the meeting in which an election will be held for the Board of Trustees, the Secretary will place in nomination the nominees of the Nominating Committee. Thereafter the chairman of the meeting shall open a reasonable period of time for floor nominations to the Board of Trustees. After the close of nominations, the Secretary will announce the names of all nominees to the Board of Trustees. Voted ballots shall be collected by the Secretary and such Vote Tellers as the Secretary may appoint. The Secretary and/or such appointed vote Tellers will tally the votes cast. The nominees receiving the greatest number of votes shall be declared by the Secretary to be elected to the Board of Trustees.

IV.9. A Trustee shall cease to be a member of the Board of Trustees upon submitting a resignation to the Secretary; provided, however, if the resigning member of the Board of Trustees is the Secretary, the resignation shall be submitted to the President.

IV.10. A Trustee shall cease to be a member of the Board of Trustees upon resigning as a member of Stardust Recreation Association.

IV.11. A Trustee shall cease to be a member of the Board of Trustees if the Trustee's COM Membership is suspended or terminated.

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IV.12. A Trustee may be removed from the Board of Trustees for good cause by a three-fourths (3/4) vote of the other members of the Board of Trustees. Good cause, for the purposes of this section, shall include but not be limited to, habitual absence from the meetings of the Board of Trustees without valid cause; continuing neglect of the Trustee's duties as a Trustee; and such other conduct that the Board of Trustees deems inappropriate for a Trustee.

IV.13. Any vacancy on the Board of Trustees, that occurs before the expiration of the term of that Trustee shall be filled by a candidate receiving a majority vote of the remaining Board of Trustees. An Interim Trustee so elected shall serve until the next Annual Meeting. At the next Annual Meeting, a successor Trustee will be elected by the COM Members to fill the remaining term of the Trustee who created the vacancy. Interim Trustees and successor Trustees have the same duties, rights, and responsibilities of a Trustee. Nothing herein shall be construed to bar or prevent an interim Trustee from being elected as the successor Trustee. Nomination and election as an interim Trustee or successor Trustee shall not be considered a "nomination" for the purpose of administering Section IV.5 and IV.8.

ARTICLE V. MEETING OF THE BOARD OF TRUSTEES

V.1. All meetings of the Board of Trustees shall be held in Morris County, New Jersey.

V.2. Meetings of the Board of Trustees shall be called by the President, or the Secretary, or upon the call of any three (3) members of the Board of Trustees. The Board of Trustees shall hold an Annual Organization Meeting within sixty (60) days after completion of the Annual Meeting of the COM Members. Except for the Annual Organizational Meeting, the Board of Trustees may meet on such schedule and as often as the Board of Trustees deems appropriate.

V.3. Written, electronic or telephonic notification of the date, time, and place of each regular meeting of the Board of Trustees shall be given to each Trustee by the President or the Secretary no later than ten (10) days prior to any meeting. In the event that the President or the Secretary announces the date, time, and place of the next meeting of the Board of Trustees at a meeting of the Board of Trustees, this considered sufficient notification to those Trustees present.

V.4. The Secretary shall record written minutes of the meeting. For any vote of the Board of Trustees, the minutes shall contain a synopsis of the issue being voted and shall record each Trustee's vote accordingly. Minutes of meetings shall be voted upon for acceptance by the Board of Trustees at their next regular meeting.

V.5. No public notice of routine meetings of the Board of Trustees need be posted or published.

V.6. Except as provided for in section V.7, all meetings of the Board of Trustees shall be open to any COM Member wishing to observe the meeting, provided it shall be the responsibility of the COM Member to call the President or Secretary to determine the date, time, and place of the meeting of the Board of Trustees. Any COM Member observing any meeting of the Board of Trustees shall have no right to vote on any proposal voted upon nor, as an observer, to participate in the discussion or debate on issues on the Board of Trustees' agenda, except as permitted by the President or in the President's absence, by the Trustee who chairs the meeting.

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V.7. Meetings of the Board of Trustees, or portions of any meeting, are to be closed if they involve (a) suspension or termination of a membership, (b) removal of a Trustee (c) compensation or employment issues of any employee of Stardust; or (d) discipline of any employee of Stardust.

V.8. One-half (1/2) of the Trustees shall constitute a quorum at any meeting of the Board of Trustees. In the event the computation of the number of Trustees required for a quorum results in a "fractional person," the number of Trustees required for a quorum should be rounded-up to the next whole number.

V.9. If a quorum is not present at any meeting of the Board of Trustees, a majority of those Trustees present may adjourn the meeting to another date, time, and place with written or telephonic notice to those Trustees who are absent. The Board of Trustees shall not vote on any proposals at any meeting in which a quorum is not present.

V.10. A majority vote of the currently serving members of the Board of Trustees is required to approve any proposals pursuant to Article VIII Dues and Assessments. Electronic or written communications shall suffice for voting on such proposal(s).

ARTICLE VI - COMMITTEES OF THE BOARD OF TRUSTEES OFFICERS

VI.1. The Board of Trustees may appoint such committees as the Board of Trustees deems appropriate and may delegate, except as prohibited herein, such duties and authorities as is necessary for the committee to carry out its function. The Board of Trustees may not delegate to any committee such duties and authorities specifically delegated only to the Board of Trustees.

VI.2. Members of committees shall be COM Members or Seasonal Members in good standing appointed by the President, and the President shall be a member of all committees ex officio.

VI.3. The Board of Trustees may at any time discontinue any committee. The Board of Trustees may also effect any change in the membership of any committee.

VI.4. Meetings of the Committee shall be governed, whenever applicable, by the same rules which apply to the meetings of the full Board of Trustees.

ARTICLE VII. OFFICERS

VII.1 The Board of Trustees shall elect from its members, a President, Vice President and Secretary. Each officer shall serve for the ensuing fiscal year or until his successor has been duly elected unless his officership is sooner terminated.

VII.2. By a majority vote of the Board of Trustees any Stardust Recreation Association Officer can be relieved of his position. The Board of Trustees may appoint to any vacant office a successor from among the incumbent Trustees, who shall serve for a period not extending beyond the next regular meeting.

VII.3 The President shall be the principal executive officer of the corporation. He shall preside at all meetings of the members. He shall be an ex officio member of all committees appointed by the Board of Trustees. He shall supervise and control the business and affairs of the corporation and he shall see that all orders and resolutions of the Board of Trustees are executed. The President shall have all powers vested in his office by law or by custom, and he shall perform all duties ordinarily incident to this office. In the event a majority of all Trustees including the

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presiding officer is not fully constituted on any action of the Board, then the President shall cast his vote to resolve the issue.

VII.4. The Vice President, in the absence or in the event of the disability of the President, shall act in his place. The Vice President shall perform any of the duties that may be assigned to him by the President or by the Board of Trustees.

VII.5 The Secretary shall keep in the corporate books, minutes of the proceedings at all meetings of the members and of the Board of Trustees. He shall see that all notices are duly given in accordance with these by-laws or in accordance with law. He shall have custody of the corporate seal, of all correspondence, and of all corporate records except those properly in the custody of another officer. The Secretary shall perform all duties assigned to him by law, by these by-laws, by the President, by the Board of Trustees, or by custom.

VII.6. The Treasurer shall have the custody of, and be responsible for, all corporate funds and securities. He shall deposit all receipts and disburse funds in accordance with the provisions of Article IX.

VII.7 The Treasurer shall maintain records of all accounts in accordance with the accounting system approved by a public accountant, selected by the Board of Trustees. He shall submit financial reports to the Board of Trustees at each regular meeting and, when requested, at special meetings. He shall submit the corporate records to the public accountant in sufficient time so that the public accountant can file the yearly tax returns on time.

VII.8 The Treasurer shall also be responsible for the billing, collection and corporate records of all members. He shall maintain records to determine the number of members in good standing and submit the current totals at each meeting of the Board of Trustees and membership committee. He shall report names of the members who are delinquent in their fiscal obligations to the Board of Trustees when required. The Treasurer shall perform any other duties, which may be assigned to him by law, by these by-laws, by the President, by the Board of Trustees, or by custom.

VII.9 The Treasurer does not have to be a member of the Board of Trustees. At the sole discretion of the Board of Trustees, the Treasurer may be afforded compensation.

VII.10 The Board of Trustees may also appoint from the members in good standing any assistants to any of the Officers, specified in this Article. An Assistant Officer shall perform duties under the supervision, only of the Officer whom he assists. At the sole discretion of the Board of Trustees, the Assistant Officer performing duties under the Treasurer may be afforded compensation.

ARTICLE VIII - DUES AND ASSESSMENTS

VIII.1. Dues and assessments shall be classified as annual dues for operations or capital assessments.

VIII.2. Annual dues for operations shall be determined by the Board of Trustees not later than February 1st. Notice of the amount of these dues shall be sent to members no later than the end of February and the dues shall be payable not later than March 31st. A member who has not paid by before March 31st shall be considered delinquent. The Treasurer shall assess late fees on any member in delinquency. All membership dues and late fees must be received by April 30. Failure to have all dues and fees paid by April 30 can result in the board revoking the unpaid membership. Non-payment of dues represents just cause to terminate a membership and does not require a hearing.

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VIII.3. The annual dues for operations shall be based upon a fiscally responsible operating expense budget for the coming year.

VIII.4. A new member, who is admitted after the assessment of the annual dues for operations under Section VII, but before the end of the swimming season for that year, shall pay a proportionate amount of such dues, computed by a method to be determined by the Board of Trustees.

VIII.5. If it happens that the annual dues for operations were not sufficient to meet the year's operation expenses as approved in the annual budget, the Board of Trustees may impose on COM Members and Seasonal Members supplemental annual dues for operations to cover the deficiency.

VIII.6. Capital assessments to provide funds for the improvement or enlargement of the Stardust Recreational Association facilities may be imposed by the Board or Trustees in an amount not to exceed \$100.00 for any calendar year. Capital assessments in excess of this amount may be imposed only after approval by a two-thirds (2/3) vote of the currently serving members of the Board of Trustees. The notice for any meeting at which such a vote will occur shall state an amount (or amount range) for the proposed assessment and the general nature of the reason why an assessment over \$100.00 is being contemplated. Notice of all capital assessments shall be sent to all COM Members within thirty days of the assessment. COM members shall have thirty days from the date of notice to pay any capital assessment (unless extended by the Board of Trustees via an additional notice). COM members not paying such capital assessments within this time frame shall be considered delinquent.

VIII.7. All capital assessments shall be imposed equally on all COM members but shall not be levied on Seasonal Members.

VIII.8. No full dues, nor portions, shall be refunded in the event that pool operations are required to be suspended for any period.

ARTICLE IX - PROCEDURES FOR HANDLING RECEIVABLES AND DISBURSEMENTS

IX.1. The Board the Trustees at its annual meeting shall determine depositories of the club and respective maximum balances. The Board of Trustees may by resolution replace, add or cancel Depositories at interim meetings. Only one Depository may be used for all operating receipts and all expenditures of the club and it shall be known as "Operating Account." Additional depositories may be created to address non-operating. These additional depositories shall be known as "Other Depositories".

IX.2. All payments by members must be directed immediately to the Treasurer. The Treasurer shall credit the accounts of each Payer.

IX.3. All other funds received by any officer, Member or club Manager must be submitted to the Treasure or other Board of Trustee approved designee within 5 banking business days after receipt thereof. The Treasurer shall acknowledge the amount and source thereof on a form approved by the Board of Directors.

IX.4. All Funds received by the Treasurer must be deposited in the operating Account within 5 banking business days after receipt thereof. Benefits derived from interest bearing deposits or securities must be reported by the Treasurer at the next meeting of the Board of Trustees.

IX.5. The Club Manager shall maintain a Petty Cash Fund for small expenditures that require immediate cash payments. The Board of Trustees shall determine the petty cash fund operating level. The Treasurer shall record

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all expenditures from the Petty Cash Fund using standard accounting methods with sufficient detail for review. The Treasurer shall have interim authority, subject to subsequent approval of the recorded expenditures at the next meeting of the Board of Trustees, for replacement of Petty Cash expenditures upon Board review of said records.

IX.6. The Treasurer or other Board of Trustee approved designee must sign all checks and withdrawals from Other Depositories. Copies of said checks and withdrawals shall be available to any member of the Board of Trustees upon request.

IX.7. All expenditures, including the replacement of Petty Cash shall be made by check from the Operating Account. The Treasurer shall retain the canceled checks and supporting vouchers with the corporate financial records.

ARTICLE X - FISCAL YEAR

X.1. The fiscal year of the corporation shall be the calendar year.

X.2. The operating budget shall use the fiscal year. The operating budget shall be presented to the Board of Trustees in a meeting of the Board of Trustees no later than March of the year for which the budget is prepared.

ARTICLE XI - SEAL

XI.1. The Board of Trustees shall prescribe the form of a corporation seal, which shall be limited to the words "Stardust Recreation Association", and "Corporate Seal." This seal shall be affixed to any document of the corporation whenever required by law, by these by-laws, by the Board of Trustees, or by custom.

ARTICLE XII - AMENDMENTS

XII.1. These by-laws may be amended only upon recommendation by the Board of Trustees and by a two-thirds vote of those members present (either in person or by proxy) at any duly held meeting of the members.

XII.2. These By-laws shall be reviewed every three years by a committee appointed by the President of the Board of Trustees for recommendations to the Board of Trustees as to amendments or alterations.

XII.3. The Board of Trustees may upon review of these recommendations seek the formal approval by the COM membership for revision of the By-laws.

ARTICLE XIII - INDEMNIFICATION

XIII.1. The Stardust Recreation Association shall indemnify, defend, and hold harmless the Board of Trustees and each of its Board members against any and all claims asserted against the Board or its members arising out of the operation of the Club and / or arising out of the discharge by the Board or its members of their duties, except where the claim asserted makes allegations of fraud, embezzlement, or willful malfeasance attributable to the Board or a member thereof, which allegations appear to be reasonable founded in fact.