

CONSTITUTION AND BY-LAWS
OF ELBERON BATHING CLUB

ARTICLE I

Name: The name of this Club shall be the Elberon Bathing Club.

ARTICLE II

Objects: The objects of this club shall be to promote the health and pleasure of its members, and to provide for the recreation comfort and enjoyment of the members of the Club and their families.

ARTICLE III

Organization and Government: SECTION 1. The property and affairs of the Club shall be managed by and under the control of a Board of Governors, which shall consist of nine (9) Regular Members, one third (1/3) of whom shall be chosen annually for a period of three years. The officers shall consist of a President, one or more Vice-Presidents, Secretary and Treasurer.

All officers shall be chosen by the Board of Governors at a meeting to be held by them promptly after the annual meeting of the Club, at which Governors are elected. The officers shall be elected for a period of one (1) year and until their successors are elected.

ARTICLE IV

Meetings of the Board. SECTION 1. The Board of Governors shall meet at such time and place as may be designated in the call for such meeting upon five (5) days written notice mailed to each member of the Board, unless such notice is waived in writing. Such meetings may be called by the President or any three (3) members of the Board. A majority of the members of the Board shall constitute a quorum.

ARTICLE V

Officers: SECTION 1. The President shall be the chief executive officer of the Club, and shall have general control and management of its business and affairs, subject to the approval of the Board of Governors. He shall appoint all Committees and shall be a member exofficio thereof other than the nominating committee. He shall perform all such duties as are incident to his office.

SECTION 2. The Vice-Presidents, in order of their seniority, shall be vested with all the powers and shall perform all the duties of the President in his absence. They shall

perform such other duties as the Board of Governors may prescribe or as shall be assigned to them by the President.

SECTION 3. The Secretary shall attend all meetings of the General Membership and the Board of Governors, record all votes and minutes of meetings of the General Membership in a book to be kept for the purpose, shall give notice of meetings and shall perform such other duties as may be required by the Board of Governors or the President.

SECTION 4. The Treasurer shall have custody of all funds and securities of the Club, shall keep a full and accurate account of all receipts and disbursements, shall deposit all monies and other receipts in the name of the Club in such banks as may be designated by the Board of Governors, and shall make such disbursements as the Board may direct, and shall, whenever, required by the President or the Board, render a just and true account of all his transactions as such Treasurer and of the financial condition of the Club.

SECTION 5. The Board of Governors shall have authority, from time to time, in its discretion, to appoint an Assistant Secretary and/or an Assistant Treasurer and to prescribe their respective powers and duties.

SECTION 6. Any person made or threatened to be made a party to any legal action or administrative proceeding by reason of serving or having served as an officer or a Governor of the Elberon Bathing Club (or at the request of the Club as an officer or director of the Elberon Bathing Co., Inc.) shall be indemnified and held harmless from and against liability for judgements, fines, amounts paid in settlement and all expenses (including attorney's fees incurred as a result of any such action or proceeding or any appeal therein), to the full extent and in the manner permitted by the laws of this State.

ARTICLE VI

Committees: SECTION 1. Subject to the approval of the Board of Governors, the President shall appoint, as soon as possible after the annual meeting, the members of all committees including the following standing committees:

- a. Pools and Grounds
- b. Restaurant and Entertainment
- c. Admissions

SECTION 2. Each of said committees shall be appointed for one year, or until their successors are appointed. Whenever practicable, the President shall designate a member of the Board as chairman.

ARTICLE VII

Vacancies: SECTION 1. If the office of any officer or Governor becomes vacant for any reason whatever, the remaining Governors shall choose a successor or successors who shall hold office until the next annual meeting of the Regular Members and until a successor or successors shall have been duly elected.

SECTION 2. All vacancies in the membership of committees shall be filled by the President with the approval of the Board of Governors.

ARTICLE VIII

Membership: The membership shall be divided into two classes, Regular Members and Associate Members.

SECTION 1. Regular Members shall be persons duly elected to membership as Regular Members and their spouses. Upon admission to membership for more than two years, all Regular Members shall purchase and hold shares of stock of the Elberon Bathing Co., Inc. in such amounts and at such price as may be determined by the Board. All such members shall pay dues annually and shall be entitled to rent bathhouse or cabana facilities in accordance with such rules and charges as are fixed by the Board. Upon the termination of membership for any reason, the shares of stock in the Elberon Bathing Co., Inc. shall be surrendered and the original purchase price shall be repaid. Any such shares not redeemed upon resignation shall continue to accrue assessments until such time as such shares are redeemed.

SECTION 2. Associate Members shall be persons who qualify for use of bathing facilities with Regular Members under Article IX, or who are admitted for one year with permission to rent bathing facilities, and have not yet purchased capital stock in the Elberon Bathing Co., Inc. Associate Members shall be subject to such regulations as are determined by the Board. Associate Members who are single children of Members age 30 or older or married children age 25 and older shall pay dues. Such dues shall be 50% of regular member dues and charges for married associates and 25% of regular members dues and charges for single associates. Widowed members sharing a bathing facility shall pay 50% of regular dues and 100% of all other charges. Single parents and married parents of Regular Members shall pay the same Associate Member dues as prescribed for children of Regular Members.

Children of members shall automatically qualify for Associate membership, upon attainment of proper age. All other family members applying for Associate membership are subject to approval by the Admissions Committee and Board of Governors. All family members using the Club Facilities more than six days during the season who fulfill the description of "Associate Member" must pay appropriate Associate Member dues rather than "guest fees" regardless of their place of residence.

SECTION 3. Annually all Regular Members shall submit to the Admissions Committee on a form provided for that purpose, the names of those persons covered by Article IX, so that such persons may obtain approval for Associate Membership as a condition for the use of bathing facilities.

SECTION 4. The name of every candidate for membership shall be first submitted to the Board of Governors by the Admissions Committee with its recommendation and a vote shall be taken by the Board of Governors to determine whether or not such candidate's names shall be presented to the Regular Membership. If the Board's action is favorable, the names of such candidates shall be mailed within five (5) days to all Regular Members together with the names of the proposers and the seconders. Objections to the admission of a proposed applicant for membership may be presented by any Regular Member in writing to the Board not later than two (2) weeks after notice to members.

ARTICLE IX

Accommodations and Facilities: SECTION 1. The rental of cabana and bathhouse facilities shall be limited to Regular Members and to Associate Members admitted for one year.

SECTION 2. Such members shall be permitted to have their facilities occupied by immediate members of the family and relatives of the Members. In addition, such facilities may also be made available in the discretion of the Board in any extraordinary cases presented from time to time for the special consideration of the Board of Governors.

ARTICLE X

Fiscal Year, Charges and Fees: SECTION 1. The fiscal year of the Club shall begin on the first day of January of each year, and shall end on the last day of December of the same year.

SECTION 2. The amounts to be charged for initiation fees, membership dues, rental of bathhouses and cabanas, occupancy fees, guest fees, assessments, and any other charges shall be determined by the Board from time to time.

The dues of all members, Regular and Associate, and all fees and rental charges shall be payable on or before April first of each year. All Regular Members shall rent bathhouse or cabana facilities and shall have the right to use the facilities of the club and such facilities shall include, but not be limited to the right to use the pool, the beach and the restaurant.

SECTION 3. Should the dues or other charges payable by any person remain unpaid for two months after the same shall become payable, such arrearage should be reported to the Board for appropriate action which may include the cancellation of cabana or bathhouse facilities and termination of membership.

The resignation of a member whose dues or any other charges are in arrears shall not be accepted by the Board of Governors until such arrearage shall be paid and any shares of stock held in Elberon Bathing Co., Inc. may be taken or cancelled on the books of the Company and applied toward the payment of arrearages.

ARTICLE XI

Meetings of Members and Elections: SECTION 1. The annual meeting of the Club for election of Governors and the transaction of such other business as may come before it shall be held on the weekend before Labor Day weekend in each year at the Club Premises. Regular Members (or their spouses) attending in person only shall have the right to vote.

SECTION 2. Special meetings of the Club may be called by the President or by any three (3) members of the Board of Governors. Not less than ten (10) days written notice of such meeting shall be given to each Regular Member.

SECTION 3. Twenty-five (25) Regular Members of the Club present in person (or by their spouses in person) shall constitute a quorum for the transaction of business but a lesser number shall have the power to adjourn to a future time to be announced at the time of adjournment.

SECTION 4. Ten (10) days before the annual meeting of the Club, the President shall appoint a Nominating Committee of three (3). The Nominating Committee shall present its nominations for members of the Board of Governors at the annual meeting. Nominations may also be made from the floor by members who are present or by their spouses who are present.

SECTION 5. Regular Members and Governors may waive any notice required to be given by law by these ByLaws.

ARTICLE XII

Amendments: These By-Laws may be amended in any manner by either the written consent or a vote of two thirds (2/3) of all the Regular Members of the Club at any meeting, annual or special, provided notice of the subject matter of such proposed amendment is given in writing to each Regular Member. The written consent of a

Regular Member to such amendment shall be deemed equivalent to a vote by such member at a meeting.