

ARTICLES OF INCORPORATION

and

BY-LAWS

of

EAGLES MERE COUNTRY CLUB

**ARTICLES OF INCORPORATION
OF
EAGLES MERE COUNTRY CLUB**

(Approved November 21, 1955 and
amended July 11, 1970, July 16, 1971 and September 10, 1991)

1. The name of the proposed corporation is "Eagles Mere Country Club." Such name has been registered with the Department of State within six months of the date of this application, and the certificate from the Department of State relating to such registration is attached hereto.

2. The location and post office address of its initial registered office in this Commonwealth is Eagles Mere, Pennsylvania.

3. The purpose for which the corporation is formed are:

To promote interest in athletic outdoor sports and recreations, to acquire and hold real estate for the establishment and maintenance of a clubhouse and other buildings needed for its functions, a golf course, tennis courts and other facilities for sports and pastimes, and, to promote the convenience, socializing, personal contacts, fraternizing and commingling of its members, and other persons to whom the privileges of the corporation may be extended. No pecuniary gain or profit, incidental or otherwise, to the members and shareholders of the corporation is contemplated, and none shall be permitted.

4. The term for which this corporation is to exist is perpetual.

5. The names, places of residence and post office addresses of the incorporation are:

NAME	RESIDENCE	P. O. ADDRESS
Henry A. Berwind, Jr.	Mt. Airy Philadelphia, PA	7401 Cresheim Road Mt. Airy Philadelphia, PA
George Reily, III	Harrisburg, PA	Front and Reily Sts. Harrisburg, PA
H. Stuart Valentine, Jr.	Plymouth Meeting, PA	County Line Road Plymouth Meeting, PA
Jacques L. Vauclain	Haverford, PA	848 Buck Lane Haverford, PA
Theodore V. Wood	Whitemarsh, PA	Stenton Ave. and Joshua Road

Whitemarsh, PA

6. The names and addresses of the persons who are to act as members of the Board of Directors of the corporation (performing the duties of and being subject to provisions of the Non-profit Corporation Law relating to directors) until the election of their successors are as follows:

NAME	RESIDENCE	P. O. ADDRESS
Henry A. Berwind, Jr.	Mt. Airy Philadelphia, PA	7401 Cresheim Road Mt. Airy Philadelphia, PA
George Reily, III	Harrisburg, PA	Front and Reily Sts. Harrisburg, PA
H. Stuart Valentine, Jr.	Plymouth Meeting, PA	County Line Road Plymouth Meeting, PA
Jacques L. Vauclain	Haverford, PA	848 Buck Lane Haverford, PA
Theodore V. Wood	Whitemarsh, PA	Stenton Ave. and Joshua Road Whitemarsh, PA

7. The corporation shall be organized on a stock share basis. The aggregate number of shares which the corporation shall be authorized to issue shall be twelve thousand five hundred shares (12,500) and the par value of each of the shares shall be ten dollars (\$10.00).

8. The amount of assets which the corporation will have to start its corporate functions consists of cash in the total amount of five hundred (\$500.00).

9. The By-laws of the corporation shall pertain to its general administrative policies and affairs, the course and form of procedures in the conduct of its affairs, the relations of its members and officers with the corporation and among themselves, and like internal matters. The By-laws may be altered, amended and repealed, to the extent permitted by law and not inconsistently with these Articles of Incorporation, by a majority vote, at a duly convened meeting therefore, of the shares of the corporation entitled to be voted under the terms and conditions of the corporation's By-laws, as well as by the corporation's Board of Directors, subject to having any such action of the Board of Directors changed by a majority vote, at a duly convened meeting therefore, of the shares of the corporation entitled to be voted under the terms and conditions of the corporation's By-laws.

10. Anything in the By-laws of the corporation to the contrary notwithstanding, neither the Board of Directors, the officers, nor the members of the corporation shall have the power to take any action affecting property rights of shareholders, such as those actions referred to in

Paragraphs 11 and 12 below, without first securing the approval of the corporation's shareholders at a special meeting duly called to consider such action. Except as provided in Paragraph 12 below, an affirmative vote of the holders of a majority of the outstanding shares shall constitute approval by the shareholders of any such action.

11. Any action to incur indebtedness on behalf of the corporation in an amount which shall increase the corporation's total principle of outstanding indebtedness to an amount in excess of \$400,000 shall be deemed to affect the property rights of shareholders.¹

12. Any action to dissolve the corporation, to approve the sale of all or substantially all of its assets, or to approve the transfer of any real estate belonging to the corporation, shall be deemed to affect the property rights of shareholders and shall be approved only upon an affirmative vote of the holders of sixty-six and two-thirds percent of the outstanding shares of the corporation. Upon dissolution of the corporation, the shareholders shall be entitled to a pro rata distribution of the assets thereof after payment of all debts and the liquidation of all liabilities, based upon their several holdings of shares of stock in the corporation, upon surrender of certificates representing such shares.

13. For the purposes of Paragraphs 10, 11 and 12 above, every shareholder shall have the right to one vote for every share outstanding in his or her name on the books of the corporation.

14. A meeting of the shareholders of the corporation for the purposes set forth in Paragraphs 10, 11 and 12 above, shall be held at the call of the corporation's Board of Directors, or at the call of the corporation's President if he has received written request for such a meeting from shareholders holding not less than thirty-five percent of all of the outstanding shares of the corporation. Thirty days' written notice shall be given by the Secretary of the corporation of any such meeting in the manner prescribed in the By-laws of the corporation. A shareholder may vote at any such meeting either in person or by proxy. Every proxy shall be executed in writing by the shareholder or by his or her duly appointed attorney-in-fact, shall be filed with the Secretary of the corporation and shall state the specific meeting, including adjournments thereof, at which it is to be voted and such proxy shall be voted at no other meeting. The presence in person or by proxy of the holders of a majority of the outstanding shares shall constitute a quorum. No matter shall be considered at any meeting of the shareholders unless notice given of the meeting shall state, in as specific terms as necessary to be reasonably understood, the nature of the matter.

¹ Article 11. Pursuant to the authority set forth above, The Eagles Mere Country Club borrowed funds for the maintenance and improvement of its facilities. By action dated August 24, 1991 the Board of Directors agreed that, once such indebtedness was repaid, no additional indebtedness in excess of \$100,000 will be incurred without the consent of a majority of the shareholders of the Eagles Mere Country Club.

BY-LAWS
OF
EAGLES MERE COUNTRY CLUB

(Adopted July 23, 1983, as revised through May 25, 2008)

ARTICLE I - MEMBERSHIP

Section 1. Except as specifically provided otherwise in the Articles of Incorporation of the Club, only a Voting Member of the Club (as defined in Section 2 of this Article) shall have the right to vote as provided in these By-Laws.

Section 2. A Voting Member of the Club shall mean a person:

- (a) Who is natural born;
- (b) Who owns shares of stock outstanding in his or her name on the books of the Club;
- (c) Who was admitted to membership in the Club by the Board of Directors, or the Membership Committee provided for under Section 8 of Article III

and

- (d) Who is a member in good standing as hereinafter provided.

Section 3. Each Voting Member shall be entitled upon every vote of Voting Members to one vote. A Voting Member may vote either in person or by proxy. Every proxy shall be executed in writing by the Voting Member or by his or her duly appointed attorney-in-fact, shall be filed with the Secretary of the Club and shall state the specific meeting, including adjournments therefore, at which it is to be voted and shall be voted at no other meetings.

Section 4. A Voting Member shall be considered not in good standing and shall forfeit all membership privileges if in arrears for more than sixty days in payment of charges for dues, services, assessments or any other charges levied by the Club upon members. Failure by a Voting Member for a period of six (6) months to pay any such charges shall terminate his or her membership and said membership shall be reinstated thereafter only at the discretion of the Board of Directors, or the Membership Committee.

Section 5. Except as hereinafter otherwise provided, the shares of any person who becomes a Voting Member for the first time after July 11, 1970, or who thereafter again becomes a Voting Member following termination as such, shall be subject to redemption by the Club at the par value thereof, \$10 per share, if such person's membership is terminated for whatever reason.

Redemption under this Section 5 shall be deemed to occur immediately upon adoption of a resolution by the Board of Directors exercising the Club's right of redemption, and immediately thereafter the Club shall mail to the person whose shares have been redeemed at his or her last address appearing on the books of the Club, a check in payment of the redemption amount. The certificate(s) for any shares redeemed shall be returned to the Club, although failure to return the certificate(s) shall in no way prevent there being valid redemption of the shares represented thereby. The foregoing provisions of this Section notwithstanding, no shares shall be subject to redemption under this Section unless they were newly issued for the first time by the Club after July 11, 1970.

Section 6. The Board of Directors, by standing resolution, may establish other categories of membership without voting rights as it deems wise and shall regulate the dues to be paid by all categories of members, whether Voting Members or otherwise.

Section 7. Upon a decision by the Board of Directors, or any committee to which the Board may have delegated such discretion, that a member, whether a Voting Member or otherwise, a person of his or her immediate family, or a guest of the member, has engaged in conduct detrimental to the good order, welfare, character and general well-being of the Club, the Board of Directors, after complying with the second paragraph of this Section may:

- (a) Reprimand such member in writing, which writing may be posted on the Club premise;
- (b) Suspend such member from all privileges of the Club for a period of not less than ten (10) days, nor more than one hundred eighty (180) days;
- (c) Permanently terminate such member's membership in the Club.

Any member whose membership has been suspended under this Section shall be considered not in good standing.

Before proceeding to decide whether a member has engaged in conduct subject to the sanctions prescribed in the preceding paragraph of this Section, the Board of Directors, or any committee to which the Board may have delegated such discretion, shall notify the member of the conduct in question and the time and place when the Board or committee will meet to consider such conduct. The member may, if he desires, personally, or by any other member, appear before the Board or committee and present such facts bearing upon the matter as he or she may desire and which in the judgment of the Board or committee are pertinent. Neither the member against whom the charge is made nor his representatives, however, shall have the right to be present at the deliberations of the Board or committee in relation to the conduct in question. The decision of the Board or committee in every case arising under this Section shall be final.

Section 8. The annual meeting of the Voting Members for the election of Directors and such other matters as may come before the meeting shall be held at the Club House in the month of August at a time and date to be set by the Board of Directors.

Section 9. Special meetings of the Voting Members shall be held at the call of the Board of Directors or of the President at the written request of Voting Members holding not less than ten percent of all shares of stock outstanding and entitled to be voted. Such meetings shall be held at the Club House or at such other place as may be designated in the call.

Section 10. Twenty days' notice of the annual meeting of Voting Members and ten days' notice of special meetings of Voting Members shall be given by the Secretary in the manner prescribed in Article VI, Section 5, of these By-Laws.

Section 11. The presence in person or by proxy of a majority of the Voting Members shall constitute a quorum. In the absence of a quorum, those present may adjourn the meeting to such time and place as they may determine, but at the second adjournment of any meeting called for the election of Directors, the Voting Members represented at the meeting in person or by proxy, although less than a quorum as fixed in this Section, shall nonetheless constitute a quorum for the purpose of electing Directors.

Section 12. At the annual meeting of Voting Members, a Board of Directors shall be elected, subject to the conditions prescribed by Article II of these By-Laws. Each Director shall hold office until the next annual meeting, unless properly removed or disqualified, and until such further time as his successor shall be elected and qualified. Election for Directors shall be by ballot, except that if the number of candidates for Directors required by Article II, shall not exceed the number of Directors to be elected as required by Article II, the Secretary of such meeting may be authorized by unanimous consent of the Voting Members present to cast one ballot for all such candidates, who shall thereupon be declared elected. The election shall be conducted by three judges appointed by the President or, in the absence of such appointment by the President, by the Chairman presiding at the meeting. Candidates receiving the highest number of votes for each category of Directors shall be declared elected.

Section 13. The facilities of the Club shall be available for use only to members in good standing, their immediate families, and their guests. The immediate family of a member shall include spouse and unmarried children under such age as the Board shall from time to time establish, who are living or staying under the same roof as a member.

Section 14. No person shall be entitled to use any of the facilities of the Club as a guest more than seven (7) days between the Memorial Day Weekend and Labor Day Weekend inclusive in any one calendar year.

Section 15. **Any** Member who sponsors a guest for use of the facilities of the Club shall be responsible for the conduct of the guest while using the Club and for the financial commitments of the guest resulting from the use of the Club.

ARTICLE II - DIRECTORS

Section 1. The number of Directors which shall constitute the whole Board of Directors shall be fifteen (15), at least **nine (9)** of which Directors shall each own, either directly or beneficially

and either individually or jointly with spouse, or whose spouse alone shall own, property subject to local real estate taxes, other than unimproved real estate, in Eagles Mere Borough or Shrewsbury Township, Sullivan County, Pennsylvania. No person shall be elected a Director unless he is a Voting Member in good standing who, on the books of the Club, has not less than ten shares total outstanding in his or her name, the name of his or her spouse, or joint names with his or her spouse. The Board of Directors shall have general charge of and authority over the affairs, funds and property of the Club. It shall be their duty to carry out its objects and purposes, subject to the Articles of Incorporation and By-Laws, and to take such other action as the Voting Members of the Club may authorize or direct. They shall have power to make rules for the Club, to fix penalties for violations of the rules, and to enforce or remit the same.

Section 2. Immediately following the annual meeting of the Voting Members, the Board of Directors shall meet for the election of officers and for the transaction of such other business as may come before the meeting. Special meetings of the Board shall be held at the call of the President or any three Directors, naming the time and place.

Section 3. Notice of meetings of the Board of Directors shall be given by the Secretary at least ten days in advance of the meeting. A majority of Directors shall constitute a quorum for the transaction of business.

Section 4. Any vacancy occurring in the Board of Directors may be filled, from among the persons qualified for election to the vacated position under the provisions of Section 1 of this Article, for the unexpired term by a majority vote of the remaining members of the Board although less than a quorum, and each person so appointed shall be Director until his successor is duly elected by the Voting Members and is qualified.

ARTICLE III - COMMITTEES

Section I. Standing Committees. The chairman and members of each committee shall be appointed by the President and approved by the Board and shall serve for a period of one year, but may be reappointed. The Board shall determine the numerical membership of each standing committee, but no committee shall consist of fewer than three members. The Executive Committee shall be comprised entirely of Board Members. Other committees, except the Nominating Committees, shall include at least two members of the Board. Each committee, in addition to the duties described in this Article, shall perform such other duties as the Board may delegate to it.

(1) Executive Committee - shall perform such functions as may be delegated to it by the Board, and shall act for the Board between regular and special meetings of the Board, reporting to the Board at its next meeting any action taken.

(2) Finance Committee - shall prepare and submit to the Board a budget for each fiscal year, audit income receipts and expenditures during the year, and submit for the Board or Executive Committee approval capital expenditures in excess of **\$5,000**, if not previously approved in the annual budget. The committee shall recommend to the Board appropriate charges for dues, assessments, green fees, golf cart rentals and tennis.

(3) House Committee - shall have charge of the Club House and all matters pertaining to the conduct and operations of such facility, including the employment and discharge of Club House personnel, the fixing of their compensation, and the regulation of prices for all items and services sold in the Club House.

(4) Green Committee - shall have charge of the maintenance and care of the golf course, including golf course equipment and buildings in which such equipment is stored and shall have the authority to employ and discharge golf course employees and to fix their compensation.

(5) Building and Grounds Committee - shall supervise and have control of the physical properties of the Club, including the Club House and outside areas and structures not under the supervision of another standing committee.

(6) Golf Committee - shall, in cooperation with the golf professional, schedule tournaments, special golf events, and non-membership golf outings. It shall have charge of the rules of play, course boundaries, score cards, handicaps, and the operation and storage of golf carts.

(7) Tennis Committee - shall have general charge of the tennis facilities and activities relating thereto, including tournaments and special tennis events.

(8) Membership Committee - shall pursuant to policies established by the Board, and after such investigation as it deems warranted, decide who shall be admitted or reinstated to membership in the Club, and shall have the authority to authorize the issuance of the required number of shares of stock to those whose applications have been approved. The Committee shall report its decisions to the Board and shall inform the Board of membership terminations and resignations.

(9) Nominating Committee - shall nominate fifteen persons from among the Voting Members, at least **nine** of whom shall own property as required in Section 1 of Article II, to serve as Directors for the ensuing year. Nominations shall be posted on the bulletin board of the Club House at least five days before the date of the annual meeting of the Voting Members. The Nominating Committee shall be appointed at least thirty days prior to such annual meeting.

Section 2. The board may by resolution establish such other committees as it may deem wise, with such power and duties as it may specify, and may delegate to the President the power to appoint persons to fill such committees.

ARTICLE IV - OFFICERS

Section 1. At the first meeting of the Board of Directors, after the election of Directors each year, there shall be elected from among the Board members a President, a Vice President, a

Secretary and a Treasurer to serve until their respective successors shall be duly elected and shall have qualified. The offices of Secretary and Treasurer may be filled by one and the same person.

The Board of Directors may appoint or elect such other officers and assistant or subordinate officers as the needs of the Club may require, none of which officers need be Voting Members or shareholders.

Elections for officers need not be by ballot, except upon demand made by a Director at the election and before voting begins.

Section 2. The President, or in his or her absence, the Vice President, shall preside at the meetings of the Club and the Board of Directors. **Except as otherwise determined by the Board or the Executive Committee, he or she shall, with the Secretary, sign all written contracts and obligations of the Club except bank checks, and shall perform such other duties as may be required of him or her by the By-Laws of the Club or by the Board.** The President shall be, ex officio, a member of all committees.

Section 3. **Except as otherwise determined by the Board or the Executive Committee, the Secretary, with the President, shall sign all written contracts and obligations, except bank checks.** He or she shall have the custody of the seal, shall keep the minutes of all meetings, shall issue notices for all meetings, and keep the records and correspondence of the Club and perform the duties usually pertaining to his or her office.

Section 4. The Treasurer shall collect, and under the direction of the Board of Directors, disburse the funds. He or she shall furnish statements as required to the meetings of the Board and an annual report to the annual meeting of the Voting Members of the Club. He or she shall give such security for the faithful discharge of his or her duties as may be required by the Board.

Section 5. The Board of Directors shall have power to fill any vacancies in any offices occurring from whatever reason.

Section 6. Any appointed or elected officer may be removed by the Board whenever in its judgment the best interest of the Club will be served thereby.

ARTICLE V - SHARES OF STOCK

Section 1. Certificates of stock shall be issued in numerical order, and each shareholder shall be entitled to a certificate certifying the number of shares owned by him, bearing the signature of the President or Vice President and the Secretary, and sealed with the seal of the Club and otherwise conforming to law. It shall be within the discretion of the Board of Directors, or of any committee to which the Board may have delegated such discretion, to determine in each case whether or not to issue stock.

Section 2. Shares of stock shall be transferable only on the books of the Club by the holder thereof, in person or by duly authorized attorney, upon surrender of the certificates representing the shares to be transferred, properly endorsed, and only upon the prior approval in each case of

the Board of Directors or of a committee duly authorized by the Board to approve transfers of shares.

Any shareholders desiring to transfer shares shall give notice to the Secretary setting forth the name and address of the proposed transferee. If such transfer is refused or if, within six months after the aforesaid notice, transfer of the shares shall not have been approved as required, then for a further period of three months thereafter the shareholder shall be entitled to have his shares redeemed at the par value thereof, \$10 per share, upon presentation of the certificate or certificates representing such shares, duly endorsed.

The Board of Directors may, at its option, cause redeemed shares to be canceled.

Section 3. If any certificate(s) representing stock of the Club shall be lost, destroyed or wrongfully taken, the owner thereof shall immediately notify the Club of such loss, destruction or wrongful taking. Unless the Club has notice that such certificate(s) have been acquired by a bona fide purchaser, the Board of Directors shall, upon request of such owner, cause new certificate(s) for the aggregate number of shares represented by the missing certificate(s) to be issued to such owner upon:

(a) the furnishing of satisfactory proof of such loss, destruction or wrongful taking:

(b) the deposit of indemnity by way of bond otherwise in form and amount and with or without sureties or security, as the Board may determine. The indemnity shall be in an amount deemed sufficient by the Board of Directors to indemnify the Club against any loss or liability by reason of the issue of the new certificate(s):

and

(c) the fulfillment of any other reasonable requisites to the issue of such new certificate(s) which the board may in its discretion impose.

ARTICLE VI

Section 1. No dividends shall be directly or indirectly paid on shares of stock nor shall the shareholders be entitled to any portion of the earnings of the Club derived through increment of the value upon its securities or otherwise incidentally made.

Section 2. The Board of Directors shall have the authority to apply for and renew from year to year a license for the Club to sell alcoholic, vinous and malt beverages.

Section 3. The Club shall have a seal, which shall be in such form as may be approved from time to time by the Board of Directors.

Section 4. Any Director or officer of the Club may resign at any time by giving written notice to the Board of Directors, or to the President, or to the Secretary of the Club. Such resignation

shall take effect at the date of the receipt of such notice or at any later time specified therein: the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Any notice of meetings required to be given to any member, shareholder, director or committee member may be given either personally or by sending a copy thereof through the mail, or by **electronic communication, with any** charges prepaid, to his **mail or electronic** address appearing on the books of the Club, or supplied by him to the Club for the purpose of notice. If the notice is sent by mail or **electronic communication**, it shall be deemed to have been given to the person entitled thereto when deposited in the United States mail **or when sent by electronic means**. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the general nature of the business to be transacted.

ARTICLE VII - AMENDMENTS

Section 1. The Board of Directors of the Club shall have the power to make, alter, amend or repeal the By-Laws of the Club not inconsistent with the Articles of Incorporation or the law, subject to having such action of the Board of Directors changed by a majority vote, at a duly convened meeting therefor, of the members of the Club entitled to vote.

ARTICLE VIII - EFFECTIVE DATE

These By-Laws shall become effective May 25, 2008.