

Eagles Mere
Association
Members' Guide
November 2011

EAGLES MERE ASSOCIATION

MEMBERS' GUIDE

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I. History, Purpose and Structure of the Association

The Association's purpose is to protect and preserve Eagles Mere Lake for the benefit of the community and Association members and guests and to operate the lake facilities for members and guests. The Association is a non-profit corporation. Since it is operated primarily for the benefit of its members, it is not, however, a tax-exempt organization. In 1961, a group of Eagles Mere property owners incorporated the Eagles Mere Association as a Pennsylvania non-profit corporation. The Association acquired the stock of the Eagles Mere Land Company and the Eagles Mere Boat Company. Through these companies, the Association owns Eagles Mere Lake, including the "Outlet Pond," a strip of land approximately 100 feet wide around the lake and the pond and additional Eagles Mere property. (A map showing most of the property owned by the EMA is at the end of this Guide.)

The Bylaws of the Association govern the membership, voting and operation of the Association. While the Bylaws are the ultimate authority on these topics, a brief summary of the basics is as follows: "Shareholder" members own property in Eagles Mere and are entitled to a vote. "Associate" members own property or live in Eagles Mere and are entitled to the benefits of and participation in the Association but do not vote. "Temporary" members are primarily renters or hotel guests. See Article III.

The Association is governed by 15 Trustees five of whom are elected at each annual meeting in staggered terms for a term of three years. The annual meeting is typically held in August at the Borough Hall. Articles VIII and IX.

The officers are the President, one or more Vice Presidents, a Secretary and Treasurer. The President is CEO of the Association. Article X.

The Association Manager is appointed by the Trustees and is the Chief Operating Officer of the Association and general manager of its operations. Article X. The Association Manager directs operations and supervises:

- A Beach and Lake Director and an Associate Director who supervise the lifeguarding staff.
- A Docks and Boat Services Supervisor who is responsible for the supervision of all EMA docks and boating services and activities.
- A Property & Launch Supervisor who is responsible for the care and maintenance of EMA property and the operation and maintenance of the Hardly Able.
- A Lake Ranger who conducts evening and night patrols of Association properties.
- The operator of the Beach Stop who is a subcontractor selected by the Association.
- An Edgemere Dock Supervisor who is responsible for the supervision of seasonal boating activities the Edgemere boat dock.

There are six standing committees of Trustees:

- The Executive Committee, which acts for the Board between meetings.
- The Property Committee, which is responsible for the Association's physical facilities.
- The Operations Committee, which is responsible for the use and maintenance of the Association's physical facilities, watercraft and equipment and the conduct of beach and lake activities.
- The Finance Committee, which is responsible for the fiscal management of the Association.
- The Membership Committee, which recommends new members to the Board of Trustees.
- The Rules Committee, which is responsible for interpretation of the Bylaws and development of the rules of the Association.

The Trustees establish the rules and regulations governing the operation of the Association and the use of Association Facilities. The Association prefers to have as few rules as possible, relying on the good sense of members and guests in the use of the facilities. But some rules have proven to be necessary. These are in Section IV.

The Trustees and senior staff of the Association as of are as follows:

Eagles Mere Association Officers and Trustees 2011-2012

President **Geoff Stoudt**
V. President **Diane Pursel**
Treasurer **Jon Walheim**
Secretary **Mary Gibbs Smith**

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II. Bylaws of the Eagles Mere Association

Article I - Purposes of the Association

§ 1.01 The Eagles Mere Association (the "Association") is a Pennsylvania stock non-profit corporation formed:

(a) to acquire Eagles Mere Lake and property that may benefit or protect the Lake, the Association's properties or the community and to benefit members and the community by preserving the natural beauty of the lake and through programs or services conducted or provided by the Association;

(b) to own, manage, and operate the properties of the Association and its subsidiaries, assuring their use and enjoyment by members and others to whom these privileges may be extended;

(c) to provide for the management of the Association by directors, who are called Trustees, and officers, and to formulate rules governing membership in the Association, its finances and the use of its properties and provide for their enforcement.

Article II - Definitions

§ 2.01 - § 2.02 The terms "Eagles Mere Borough" and "Eagles Mere Area" shall have the meanings given in the Addendum to these Bylaws.

§ 2.03 The "immediate family" of a member shall include only the member's spouse, parents, grandparents, children and grandchildren, and their respective spouses.

§ 2.04 The term "year-round resident" shall mean one who is domiciled in and spends at least 300 days per year in Eagles Mere Borough or the Eagles Mere Area and is classified as a year-round resident by the Trustees. Year-round resident status serves the welfare of the Association and the community by affording an opportunity for access to the Lake to those who live on a year-round basis in Eagles Mere Borough or the Eagles Mere Area and by encouraging their participation in the Association. The Trustees may make exceptions to this definition where it serves these purposes.

§ 2.05 The word "charges" shall include all dues, fees, charges or assessments of any type imposed by the Association. The word "property" includes the land, lake, improvements, facilities, equipment and other property owned by the Association or its subsidiaries. "Good standing" means that a member is current in the payment of all charges and has not been suspended or terminated. The word "Rules" includes all rules, regulations and requirements of the Association. Words phrased in the singular include the plural; gender usages include all genders.

Article III - Membership

§ 3.01 The Association has three types of members; Shareholder, Associate and Temporary. Only Shareholder members have the rights of a member under the Pennsylvania laws governing non-profit corporations, including the right to vote.

§ 3.02 To be eligible to purchase a share and become a Shareholder member of the Association, a candidate must (1) be sponsored by three Shareholders, (2) have been an Associate Member for two years, (3) be approved by the Trustees, and (4) own a residence in seasonal or year-round use in Eagles Mere Borough. The requirements of clauses (1) and (2) do not apply to a transfer approved under §6.05.

§ 303 (a) Except as provided in subsection (b), to be eligible for Associate Membership, a candidate must (1) be sponsored by three Shareholders, (2) be approved by the Trustees after receiving a report of the Membership Committee, (3) own a residence in seasonal or year-round use in Eagles Mere Borough or (4) must be a year-round resident who owns and occupies a residence in the Eagles Mere Area, and qualifies under subsection (c) and (5) must accept the invitation of the Trustees to participate as an Associate member for not more than one year.

(b) The Trustees may grant Associate Membership to any person who (1) is a year-round resident of Shrewsbury Township, (as defined in §2.04 with the Township included in that definition), (2) has served in an active capacity for at least two years with the Eagles Mere Ambulance Association, the Eagles Mere Fire Company or a similar community service organization approved by the affirmative vote of twelve Trustees, (3) is sponsored for membership by the organization served, (4) is approved by the Trustees, and (5) accepts the invitation of the Trustees to participate as an Associate member for not more than one year. The Trustees may permit a person who has become an Associate member under the preceding sentence to continue that membership on a year to year basis after retiring from active service with his sponsoring organization.

(c) A person who owns and occupies a residence located in the Eagles Mere Area, but outside of the Eagles Mere Borough, is eligible to apply for Associate Membership under § 303 (a) if the applicant meets all of the following requirements.

(1) The applicant owns and occupies a residence located in the Eagles Mere Area and has been a year round resident for the three years preceding the filing of the application.

(2) The applicant's residence is a single family detached dwelling designed for and occupied as a dwelling for one (1) family of individuals living together as a single housekeeping unit, not more than three of whom are unrelated to all of the others by blood, marriage or legal adoption, and having no party wall in common with any adjacent dwelling or building.

(3) The applicant's residence is located on a lot (a) that contains at least 100,000 square feet in area; (b) that was legally created prior to October 10, 2009, and (c) eighty percent (80%) of which is located within the Eagles Mere Area, as is the entire residence. The Board of Trustees may reduce the lot area requirement of clause (a) above to no less than 50,000 square feet if the applicant meets all of the other requirements of § 303 (c) and the Board determines that approval of the smaller lot size is consistent with the purposes of § 303 (c) and the Board

determines that approval of the smaller lot size is consistent with the purposes of § 303 (c) and is necessary to avoid undue hardship.

(4) Persons who are Associate Members on October 10, 2009 under the prior rules governing members with residences located in the Eagles Mere Area, but outside of the Eagles Mere Borough, may continue their memberships as long as they continue to be year round residents of the Eagles Mere Area.

(d) Associate memberships shall be renewed annually without further action unless written notice is given to the member by December 1 that his membership will not be renewed for the next calendar year.

§ 3.04 The Trustees may authorize Temporary memberships on terms set by the Trustees to be extended for no more than twelve weeks in any calendar year to (1) persons serving churches located in the Eagles Mere Area, (2) persons who are year-round residents of the Eagles Mere Area or who conduct a business or activity in that area, (3) persons who are overnight paying patrons of hotels, inns, motels, apartments or rooming houses located in Eagles Mere Borough, and (4) persons who rent a residence in Eagles Mere Borough. Unless waived by the Trustees, persons may not become Temporary members under clauses (3) or (4) unless the property they occupy is owned by a Shareholder or Associate member in good standing. All Temporary memberships shall expire at the end of their terms without further action by the Association.

§ 3.05 The Trustees may establish different classes of Associate or Temporary memberships, but all such members shall meet the requirements of §3.03 and §3.04.

§ 3.06 The right to use the properties of the Association shall extend only to Shareholder, Associate or Temporary members, the immediate family and guests of such members living or staying under the same roof with the member, and guests of the Trustees.

§ 3.07 If an Associate member is offered the opportunity to become a Shareholder and fails to purchase the share within three months of the offer, the Trustees may terminate the membership by giving notice under §3.03. Any person whose membership is so terminated may not reapply for membership for the period specified by the Trustees.

§ 3.08 Only natural persons and trusts primarily for the benefit of natural persons may become members of the Association. The Board of Trustees may make exceptions to this Rule where necessary to accommodate transitions in ownership, and may adopt prospective rules prohibiting or limiting memberships by trusts.

§ 3.09 The Board of Trustees must approve all trusts and may impose conditions on the acceptance of a trust as a member, including a condition requiring the trust to designate no more than two natural persons approved by the Trustees who shall have exclusively all rights of the trust to use the properties of the Association under the Rules applied to other members.

§ 3.10 A Shareholder may designate in writing to the President from time to time one member of the holder's immediate family as the nominee of such Shareholder. The nominee shall have exclusively all rights of the Shareholder during the period of such designation.

Article IV - Association Charges

§ 4.01 Association charges shall be designed to support and maintain the Association and its properties and activities by covering costs, indebtedness, acquisition, improvement and replacement of properties, and the creation of reserves.

§ 4.02 The Trustees may establish charges to be paid by Shareholder members, the various classes of Associate and Temporary members, renters and guests, and other charges for the use or rental of Association property. Different charges may be adopted for different classes of members or users and for year-round residents.

§ 4.03 (a) Membership charges cover only one residence. An owner of two or more residences who wishes to permit qualified persons occupying those residences to use the Association's properties must obtain and pay the charges for a Shareholder or Associate membership for each residence (Note: Additional charges may be payable by the persons using Association property).

(b) A Shareholder whose share is not used to support use of the Association's properties by any person, including the Shareholder, may maintain the right to own and vote the share by paying half of the otherwise applicable membership charges.

Article V - Termination of Memberships

§ 5.01 Any member who ceases to meet the qualifications for membership set forth in §§3.02 - 3.04 shall cease to be a member forthwith. The Trustees may make exceptions where it is anticipated that the member will meet these qualifications within one year.

§ 5.02 All membership privileges of any member shall be suspended forthwith if any Association charge is not paid within 60 days of the date payment is due.

§ 5.03 All memberships and membership privileges may be suspended or terminated for cause, including non-payment of any Association charge, violation of any Association Rule or any action which causes injury to Association property or has a substantial adverse effect on the right of any person to use and enjoy the Association's property.

§ 5.04 A Shareholder or Associate member against whom suspension or termination is proposed under

§5.03 shall be notified in writing by a Bylaw officer or the Manager that suspension or termination of his membership is contemplated. The notice shall contain a brief description of the grounds for that action and shall advise the member that he may submit, within 15 days of the mailing of notice, a written

request for a meeting with the Executive Committee to present reasons why the proposed action should not occur. If the member does not submit a timely request, or if after such a meeting a majority of the Executive Committee is of the opinion that suspension or termination is warranted, suspension or termination shall take place forthwith. Within 15 days of the mailing of notice of the action of the Committee, any member affected may submit a written request that the Board of Trustees review the matter at its next regularly scheduled meeting.

§ 5.05 Temporary memberships and privileges of guests may be suspended or terminated at any time for cause by the President, a Vice President, the Manager, the Executive Committee or the Board of Trustees.

§ 5.06 Unless otherwise directed by the Trustees, persons whose membership rights have been suspended or terminated shall not use the property of the Association whether as a member of the immediate family or as a guest of another member, or otherwise.

§ 5.07 On termination of a Shareholder membership by death or under the Bylaws or rules of the Association, all shares shall be transferred under §6.05 or redeemed under §§7.01 - 7.04.

Article VI - Capital Stock

§ 6.01 Interests in the Association shall be evidenced by share certificates. Each certificate shall be for one share (except fractional shares under §6.03), and shall be numbered and signed by the President or Vice President and the Secretary or Treasurer. Ownership of a share does not in itself permit use of Association Property.

§ 6.02 When the Association was formed, eight shares were issued to residents of Eagles Mere Borough, each share being divided into one-third interests. The Trustees may reissue such interests in the form of separate one-third share certificates, but only to year-round residents of Eagles Mere Borough who are qualified under §3.02. The total of fractional shares outstanding shall not exceed eight full shares.

§ 6.03 Only persons or trusts eligible for membership under §§3.02 and 3.08 may own shares. No person or trust shall own more than two shares. No more than two persons may own a full share. No more than one person may own a one-third fractional share.

§ 6.04 The Trustees may set the prices at which shares may be issued from time to time, require payment of initiation charges, and set different prices and charges for fractional and full shares.

§ 6.05 Subject to the limitations of §§3.02, 3.08, 6.02 and 6.03, the Trustees may permit the transfer of full or fractional share interests from a Shareholder to a member of the immediate family of the Shareholder with or without requiring payment of a new issue price or initiation charge. (Note: Under §6.01 ownership of a share does not entitle the holder to use the Association's property. The holder also must become a member under §3.02.)

Article VII - Repurchase and Redemption of Shares

§ 7.01 A Shareholder member who ceases to be eligible for membership under §3.02, shall not be entitled to vote or to any membership privileges, and all full or fractional shares held by the member shall be returned to the Association for redemption unless the Trustees have approved a transfer under §6.05 or have granted a temporary exception under §5.01. If any Shareholder membership is terminated for any reason, all shares held by the member shall be returned to the Association for redemption. Shares that are not returned voluntarily will be redeemed by the Association under §7.03.

§ 7.02 The purchase or redemption price of all shares shall be the issue price paid by the holder to the Association for the shares less any amount owed the Association by the Shareholder.

§ 7.03 The Association shall redeem shares which have not been returned to the Association voluntarily for purchase or redemption by giving the Shareholder notice of its intention to redeem the shares at the expiration of 60 days from the mailing of the notice.

Unless the Trustees rescind the notice, the Association shall purchase or redeem the shares after the expiration of the 60 day period by mailing the holder a check or the amount described in §7.03, and the shares shall be canceled or redeemed whether or not they shall have been returned. (Note: Under §§7.01 - 7.03 shares may not be transferred except under §6.05 and are subject to the Association's right to redeem or repurchase shares in all other circumstances. Accordingly, unless a transfer to a member of the holder's immediate family is approved, all shares are repurchased or redeemed by the Association and reissued as determined by the Trustees to persons eligible for Shareholder membership.)

Article VIII - Shareholders – Meetings

§ 8.01 Shareholders in good standing shall be entitled to one vote for each share of stock. Holders of fractional shares (§6.03) shall be entitled to a fractional vote. In voting for Trustees, Shareholders shall vote each share owned for as many persons as there are Trustees to be elected and shall not cumulate votes.

§ 8.02 A meeting of Shareholders shall be held annually in Eagles Mere, Pennsylvania, on a date in July or August set by the Trustees. Notice of the annual meeting, with a proxy form, shall be mailed to Shareholders of record at least 30 days before the meeting.

§ 8.03 At least 45 days prior to the annual meeting, the President shall appoint a Nominating Committee of at least three Shareholders, who shall select one candidate for each vacancy on the Board of Trustees. Shareholders shall be notified of the Committee's selections at least 30 days before the annual meeting. Additional candidates may be nominated by a petition signed by Shareholders owning not less than 25 shares and delivered to the Secretary at least 20 days prior to the annual meeting, in which event the names of all persons nominated by the Committee or by petition shall be mailed to the Shareholders no later than 10 days prior to the annual meeting, together with a proxy form. Candidates also may be nominated from the floor of the meeting.

§ 8.04 Special meetings of the Shareholders may be called by the President, by five members of the Board of Trustees, or upon the written request to the President or the Secretary of persons holding 10%

of the shares entitled to vote, by giving written notice to the Shareholders at least 10 days prior to the meeting. The notice shall state the time and place of the meeting, its purpose, and the authority by which it is called.

§ 8.05 Shareholders may vote by proxy at any meeting. Proxies shall be written, signed by the Shareholder, and dated, with the date of the meeting at which it is to be used inserted. There is no limit on the number of proxies a person may vote.

§ 8.06 The holders of a majority of the outstanding shares entitled to vote, present in person or by proxy, shall constitute a quorum for Shareholder meetings. Unless otherwise provided by law or by the Articles or Bylaws of the Association, a majority of the shares voted shall govern with respect to all issues.

§ 8.07 The entire Board of Trustees, or individual Trustees, may be removed from office by a majority vote of all Shareholders entitled to vote. In such event, replacement Trustees may be elected coincidentally.

Article IX - The Board of Trustees – Elections

§ 9.01 The business and property of the Association shall be managed by a Board of Trustees consisting of fifteen members of the Association, at least thirteen of whom shall be Shareholder members or their nominees. Trustees shall serve without compensation.

§ 9.02 Unless changed by the Trustees, the fiscal year of the Association shall begin on October 1.

§ 9.03 Trustees shall be elected for a term of three years beginning on October 1 of the year in which they are elected. Terms shall be staggered so that the terms of five Trustees end each year. At each annual meeting, five Trustees shall be elected to fill vacancies resulting from the expiration of terms, plus additional trustees to fill unexpired terms due to vacancies. The Board of Trustees shall have the right to fill any vacancy that may occur in the Board until the next annual meeting of Shareholders. If for any reason Trustees are not elected to replace Trustees whose terms have expired, the outgoing Trustees shall continue to serve until their successors have been elected.

§ 9.04 No Trustee shall be eligible for re-election after having served two consecutive terms of three years each, but any such person shall be eligible for re-election after having been out of office for one year.

§ 9.05 The Board of Trustees may hold meetings whenever and wherever it may determine. The Board shall meet immediately after the annual meeting of Shareholders to elect officers of the Association and subsidiaries and to conduct such business as may come before it. Other meetings shall be held on the call of the President or of five or more Trustees. Notice shall be given by any method reasonably calculated to reach the Trustees at least five days before the meeting.

Article X – Officers

§ 10.01 (a) The Bylaw officers of the Association shall be a President, one or more Vice Presidents, a Treasurer and a Secretary, all of whom shall be Trustees and shall serve without compensation. Any two offices except President and Secretary may be held by one person. The terms of Bylaw officers shall commence on the later of the date of their election or October 1, and shall run through September 30 of the following year.

(b) The Board of Trustees may appoint such other officers as it deems appropriate, including a Manager of the Association and assistant officers. These officers need not be Trustees, and may receive compensation.

(c) All officers shall be subject to the control and direction of the Board of Trustees. The Board may assign or limit the duties of officers, and may permit any officer to delegate duties to an assistant.

(d) No officer, agent or employee of the Association shall have the power or authority to borrow money on its behalf, to pledge its credit, or to mortgage or pledge its property except within the scope and to the extent of an authority granted by the Board of Trustees. (Note that a mortgage of real estate requires the approval of the Shareholders under §13.02).

§ 10.02 The President shall be the chief executive officer of the Association and shall have direct charge of its business. He shall preside at meetings of the Shareholders and the Trustees, shall report on the affairs of the Association at the annual meeting, and shall perform all other acts usually incident to the position of President and CEO.

§ 10.03 A Vice President shall perform the duties and exercise the powers of the President when the President is absent or unable to act and shall perform all other acts usually incident to the office of Vice President.

§ 10.04 The Treasurer shall have custody and care of the funds of the Association and invest or deposit the same in banks, funds, depositories, securities or instruments approved by the Trustees. He shall (1) endorse all financial documents, (2) keep accurate records of all funds received or expended, (3) provide financial information to the President and Trustees, (4) prepare an annual budget for approval by the Trustees, (5) file tax returns and reports of a financial nature, and (6) perform all other acts usually incident to the office of Treasurer. The Treasurer and any Assistant Treasurers shall be bonded at the Association's cost by a surety approved by the Trustees.

§ 10.05 The Secretary shall (1) keep minutes of all meetings of the Trustees and the Shareholders, (2) tabulate Shareholder votes, (3) maintain the Association's seal and stock records, (4) be responsible for the official correspondence of the Association, (5) give required notices to the Trustees and Shareholders, (6) file all reports of a nonfinancial nature, (7) affix the Association's seal to authorized contracts and documents, and (8) perform all other acts usually incident to the office of Secretary.

§ 10.06 Where a Manager has been appointed by the Board of Trustees, he shall be the chief operating officer of the Association. Subject to the control of the President, he shall be responsible for the day to

day operations of the Association and perform all other acts usually incident to the office of Manager and COO.

§ 10.07 A Bylaw officer shall not succeed himself in the same office after having served for three consecutive years, but shall be eligible for re-election after being out of that office for one year.

Article XI – Committees

§ 11.01 The President, with the approval of the Trustees, may select an executive committee from the Trustees to exercise the powers of the Trustees between meetings. (For the Nominating Committee, see §8.03).

§ 11.02 The Board of Trustees or the President may appoint and discontinue other committees of Shareholder or Associate Members with such duties as may be assigned to them by the President or Trustees. The President or his delegate shall be an ex-officio member of all such committees.

Article XII - Indemnification; Limitation of Liability

§ 12.01 A director of the Association (termed a Trustee) or any subsidiary entity shall not be personally liable for monetary damages for any act or failure to act as a director except to the extent that a director's liability for monetary damages may not be limited.

§ 12.02 The Association shall indemnify any person who was or is a party or threatened to be made a party to any threatened, pending or completed action or proceeding, including actions by or in the right of the of the Association or any subsidiary (including any entity the person was serving at the Association's request), whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a Trustee or officer of the Association or any such subsidiary or entity against expenses (including attorneys' fees), judgments, fines, excise taxes and amounts paid in settlement actually and reasonably incurred by such person in connection with such action or proceeding unless the act or failure to act giving rise to the claim for indemnification is determined by a Court to have constituted willful misconduct or recklessness.

§ 12.03 Expenses (including attorneys' fees) incurred by a current or former officer or Trustee of the Association in defending any action or proceeding referred to in §12.02 shall be paid in advance of the final disposition of such action or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that the person is not entitled to be indemnified by the Association, except that advance payments need not be made under this Section if the Trustees appoint an independent counsel to investigate the matter and such counsel reports that it is probable that indemnification will not be required under §12.02.

§ 12.04 The provisions of §§12.02 and 12.03 shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any insurance or other agreement, or under law, and shall continue as to any person who has ceased to be a Trustee or officer and shall inure to the benefit of the heirs, executors and administrators of such person.

§ 12.05 The duties of the Association under §§12.02 and 12.03 shall be in the nature of a contract between the Association and each Trustee and officer, and no amendment or repeal of any provision of

this Article shall alter, to the detriment of such Trustee or officer, the right of such person to the advance of expenses or indemnification relating to a claim based on an act or failure to act occurring prior to the amendment or repeal.

Article XIII - Other Matters

§ 13.01 Addendum The materials in the Addendum are part of, and incorporated in these Bylaws as though they were set out in full where indicated.

§ 13.02 Limitations on Certain Real Estate Transactions (a) No real estate of the Association shall be leased, mortgaged or sold unless duly authorized by the affirmative vote of at least 75% of the shares of the Association entitled to vote then outstanding. This shall not apply to leases of boat houses or bathhouses or to interests or prospective interests created or recognized in connection with the acquisition of the property affected.

(a) The assent of the Board of Trustees to the exercise by anyone of any other right affecting the real estate of the Association shall require approval of a 75% majority of the Trustees then serving.

§ 13.03 Notices (a) Shareholders shall designate a single address to which notices should be sent, and shall be responsible for keeping the address current. Whenever notice is required to be given to Shareholders, it shall be mailed to this record address.

(b) Notices to other persons shall be mailed to their address as shown on the records of the Association or in a current Eagles Mere directory.

Article XIV - Amendment of The Bylaws

§ 14.01 The Shareholders shall have the power to make, amend or repeal the Bylaws of the Association at any meeting by the affirmative vote of a majority of the shares then outstanding and entitled to vote, provided that (1) notice of the proposed change shall have been mailed to the Shareholders at least 30 days before the meeting, and (2) any amendment to §13.02(a) must be adopted by the affirmative vote of at least 75% of the shares of the Association entitled to vote then outstanding. Amendments shall be proposed by the Trustees or by a petition signed by holders of at least 25 shares filed with the Secretary not less than forty-five days before the meeting at which they will be presented for action.

Addendum To the Eagles Mere Association Bylaws

Definitions

§ 2.01 (a) The term “Eagles Mere Borough” shall refer to the boundaries of the Borough as shown on the 1969 U.S.G.S. map described in §2.02, with such additional areas, not to exceed a total of 100 acres, which are both (1) annexed to the Borough after January 31, 1999 and (2) added to the area covered by this definition by a two-thirds vote of the Trustees of the Association.

(b) Residences owned by persons who were Shareholders of the Association on December 31, 1999, and are listed as such on the records of the Association as of that date shall be treated as though they are located in Eagles Mere Borough. The right granted by this paragraph shall (1) apply only to a residence existing on December 31, 1999, and any additions or replacements, and shall not be available to the purchaser of any other residence whether or not located on the same property, and (2) shall be deemed abandoned as to any grandfathered residence if the residence is transferred and the transferee does not apply for Association membership within five years of the transfer.

§ 2.02 The term “Eagles Mere Area” shall refer to the following geographic area:

BEGINNING at a point shown on the U.S.G.S. Map of the Northeast quarter of the Eagles Mere 15' quadrangle (1969) where the boundary of the Wyoming State Forest (“Forest”) crosses the Worlds End Road northwest of Eagles Mere Village; (1) thence east and north along the property line of the Forest to Kettle Creek; (2) thence due (grid) east to the northwest boundary of Eagles Mere Borough (“Borough”); (3) thence northeast along that boundary to the northernmost corner of the Borough; (4) thence along a projection of the same Borough boundary a distance of 600 feet to a point; (5) thence along a line drawn parallel with and 600' from the northeast boundary of the Borough to the intersection of that line with the boundary of the Forest at a point approximately 1600 feet south of Rusty Run; (6) thence south and east along the boundary of the Forest to its intersection with a line drawn 6,000 feet from and parallel to the southeast boundary of the Borough; (7) thence southwest along that line a distance of approximately 1,600 feet to its intersection with the centerline of Pennsylvania Route 42; (8) thence along that centerline west to a point 1,500 feet from the southeast boundary of the Borough; (9) thence in a southwest direction along a line drawn parallel with and 1,500 feet from the southeast boundary of the Borough a distance of 2,000 feet to a point; (10) thence northwest along a line perpendicular to the southeast boundary of the Borough to that southeast boundary; (11) thence southwest along the southeast boundary of the Borough to the southernmost corner of the Borough; (12) thence westerly in a straight line from that corner of the Borough to the center of the intersection of Route 42 and the road which enters Route 42 from the east at a point approximately 1,500 feet north of BM 1734; (13) thence a distance of 1,500 feet due (grid) west to a point; (14) thence due (grid) north a distance of 3,000 feet to a point; (15) thence due (grid) east a distance of 500 feet to a point; (15) thence due (grid) north a distance of approximately 9,100 feet to the boundary of the Forest close to Kettle Creek; thence east along the boundary of the Forest to the point of beginning.

INTERPRETATIONS OF EMA RULES AND BY-LAWS

1. **Use of EMA Facilities by Renters and Guests** --There must be a paid membership (Active or Associate) including Lake Protection Fees in force on a residence before any renters or guests of such residence are eligible to use EMA facilities. If used, such renters or guests must pay applicable fees. (Adopted July 1, 2000).
2. **Multiple Residence and Resident Fees** -- If an individual owns two or more residences (an Inn or B&B defined as a residence also), only one residence will be eligible for resident rates on the theory that a person can be a resident in only one residence. Additional residence(s) will be subject to non- resident rates. (Adopted July 1, 2000).
3. **Multiple Residences and Membership** -- If more than two residences are owned by an individual, Associate Membership Status will apply to additional residences indefinitely due to EMA's two share limit. (See interpretation No 8. for multiple residences which may be jointly owned.) (Adopted July 1, 2000).
4. **Use of Facilities by Owners and Guests of Inns, Lodges, B&B's** -- If an owner of an Inn, Lodge, or B&B resides in the facility, the share applicable to the owner(s) is sufficient also to permit access to EMA facilities by guests of such facility as long as applicable guest fees are paid. If the owner of such facility resides in a separate residence and such owner desires personal (family) use of EMA facilities, a separate share must be owned for the separate residence(s). (Adopted July 1, 2000).
5. **Transfer of Shares** -- Shares are only transferable to members of a shareowners's immediate family and only when the prospective owner becomes the owner of the residence to which the original share applies. (adopted July 1, 2000).
6. **Transfer of 1/3rd Shares and Grandfathered Shares** -- The new owner of a residence to which a one-third share applies will be eligible for shareholder status. However the new owner will not be eligible to own a fractional share unless the new owner is a member of the immediate family of the original fractional share owner. The ability of a new owner of a residence to which shareholder status applied to the previous owner will have a limited period, five years, to apply for shareholder status if the residence is outside the Borough but within the area described as the Greater Eagles Mere Area (GEMA). Adopted July 1, 2000)
7. **Lake Protection Fee** -- Payment of the Lake Protection Fee shall entitle members, members guests and renters of member's property full access to EMA property and facilities, including (but not limited to) the lake, the beach, and the Laurel Path. Selective use of EMA properties is deemed not to be reason for any member, Member's guest, or renters of a member's property

to pay less than 100% of the Lake Protection Fee. Renters of a Member's property must, in addition, pay applicable renter fees (Adopted May 26, 2001).

8. Shares for Multiple Residences -- No person may have his or her name appear on more than two shares. However, if a person owns more than two properties that would otherwise qualify for membership and one or more of the properties are owned jointly, a third and possibly a fourth share may be issued so long as an owner is not named on more than two shares. For example, if a husband and wife owned three properties, one share could be issued to each spouse separately and a third share could be issued jointly. One share would qualify for resident rates, however. Ownership can be evidenced only by the appearance on the deed of the share applicant. (Adopted May 26, 2001).

9. Purchase of Shares by Trusts -- The revised By-Laws adopted August 25, 2001, permit a share of stock to be held by a trust instead of by only a natural person. The following points indicate how trust owned shares will be administered. (Adopted October 6, 2001)

1. The trust will own the share.
2. The trust will issue a letter naming up to two persons who will represent the trust for that share and derive the benefits of that share.
3. Those persons named are not required to be beneficiaries of the trust.
4. The persons named by the trust will be approved by the Board of Directors of the EMA as would any applicant for a share.
5. The persons named by the trust to be its representatives will vote the share.
6. Membership benefits will be determined by those named to derive such benefits by the trust. For example, "family" will be determined under the rules of the Association based on who is named to represent the trust.
7. The applicable rules to determine eligibility for "resident rates" and other rates will be applied depending on whether the persons named by the trust are eligible for these rates.
8. Shares owned by the trust will have the same privileges regarding renters and guests as other shares, and abide by the same rules.
9. Persons named to represent the trust can be changed no more than once per year.
10. Bills Due and Fees will be sent to those persons named by the trust.

10. Purchase of Shares by Members Who Already Own Two Shares -- When an Associate member is offered a share for purchase, such Associate Member must purchase such share if not already an owner of two EMA shares. If such Associate Member is already an owner of two EMA shares, such Associate Member may voluntarily or by EMA rule remain on the Associate Member list with respect to additional residences and maintain all EMA privileges with respect to such additional residences so long as all conditions of EMA membership with respect to such additional residences are met. If there is a change in circumstances and such Associate Member subsequently decides to purchase the previously passed-on share, the Trustees will

issue such share when shares are next offered so long as all the rules regarding the issuance of said share are met. (Adopted July 6, 2002)

11. **Transfer by Owners of Two Shares Supporting a Single Property** -- Owners of two shares supporting a single property incur annual Association fees for a single share. When one or both shares are transferred so that both are no longer held in the same names, both shares incur annual association fees. For example, if parents with two shares give them to their four children so that two children are co-owners of each (along with transferring title to their property to the children), Association fees will be due for each share. (Adopted February 15, 2003).

12. **Apartment Residences** -- If there is an apartment, or apartments in a building and if the apartment is rented to someone who is not a family member, the apartment(s) must be covered by the member through ownership of a share per unit rented if the occupants wish to use EMA facilities. (Adopted May 29, 2004)

13. **Requirement for Ownership of a Residence in the Borough of Eagles Mere** – Section 3.03 of the By-Laws provides that associate membership requires ownership of a residence in Eagles Mere. (Full time residents of the Greater Eagles Mere Area are also eligible for membership.) Ownership of a residence in “Eagles Mere Borough” means that the house is physically located entirely within the Borough. Ownership of a parcel of land, a portion of which is in the Borough, will not qualify the owner for membership unless the house on the parcel is within the Borough. (Adopted October 8, 2005)

14. **Temporary Membership Fees for Guests Without the Member Present** -- When a Member allows friends, or guests or non-immediate family to use the member`s house without the member present, those individuals, if they wish to use Association property are required to become Temporary Members and pay temporary membership fees. Immediate family not staying with the member, but staying in the member`s house, are not required to pay such fees.

IV. Rules

A. Rules For Temporary Members and Guests.

1. No Member can extend any rights or privileges to use the properties or facilities of the Association. This is the sole prerogative of the Association. Temporary Member or Guest rights and privileges will be extended by the Association only when requested to do so by a Member or Temporary Member in good standing. Such extension will be evidenced by the registration of the person as a guest of the Association.
2. As stated in sections 3.01 and 3.04 of the Bylaws, "Temporary Members" are persons (including Inn guests) who are renting for twelve weeks or less a residence or cottage, located in the Eagles Mere Area, owned by a member in good standing who has paid the Lake Protection Fees and Basic Annual Fees at the seasonal rates for the property being rented. Members owning more than one cottage or residence who desire Temporary Member privileges and/or Member privileges for more than one facility at the same time shall pay an additional Basic Annual Fee and applicable Lake Protection Fees for each additional family.
3. It is the Member's responsibility to assure that Temporary Members and guests sponsored by them know and follow Association rules. This is particularly important for Temporary Members who are Inn guests and guests of renters. Temporary Members must register at the Beach Office at the beginning of their stay during the summer season.
4. In every case the Member requesting the extension of Temporary Member privileges shall be responsible for the conduct and all financial obligations to the Association incurred by such guests.
5. A Temporary Member family shall consist of only the husband, wife and their own children.
6. There are two types of "Guests"
 - (a) "Personal Guests" are persons who are non-paying day or overnight residence or cottage guests of a Member or Temporary Member (who is renting a house) in good standing.
 - (b) "Association Guests" are persons who are invited to use the properties and facilities of the Association for participation in activities or sports. Groups who are approved in advance for periodic visits such as sailing clubs, camps, etc. also fall within this classification. Also, the children under twenty-two (22) years of age of year-round residents of the Eagles Mere Area and the employees under twenty-two (22) years of age of a commercial enterprises in Eagles

Mere who desire to use the beach facilities and who are approved by the Beach and Lake Director shall be included in this classification, upon registration and payment of any required fees.

7. The Association may refuse to extend privileges to any person if in the judgment of an officer of the Association or his/her delegate such registration is not in the best interests of the members of the Association.

8. The privileges covered by the payment of one Basic Annual Fee and one applicable (Active or Associate) Lake Protection Fee can be extended to only one family (Member's immediate family or renting Temporary Member family) at a time. Privileges for two or more families at the same time will require the payment of an additional Basic Annual Fee and an additional applicable (Active or Associate) Lake Protection Fee at seasonal rates for each additional family.

9. Personal guest privileges do not require the payment of additional Basic Annual Fees or Lake Protection Fees.

10. Personal guest privileges will not be extended to the following persons and members of their immediate families:

- (a) Persons who are in arrears in the payment of dues, fees, or other charges.
- (b) Persons who are renting a cottage or residence in the Eagles Mere Area for which the current dues, fees and charges of the Association have not been paid.
- (c) Persons who have been suspended by the Association for cause.
- (d) Any other persons who qualify for Active Membership in the Association and who would be using the Personal Guest privileges to avoid payment of properly chargeable dues, fees or other charges of the Association.
- (e) Notwithstanding the foregoing, any person may be extended personal guest privileges for not more than a total of five (5) days in any calendar year if he or she is duly registered and vouched for by a member in good standing.

B. Rules For Use Of Association Properties And Facilities.

1. All applicable local, state and Federal laws shall be complied with completely. No action or lack of action by the Association shall be deemed to prevent the enforcement or application of any such laws.

2. All persons using any of the properties or facilities of the Association shall comport themselves in an acceptable manner with full consideration for the properties and facilities of the Association, and the rights and enjoyment of others using those properties and facilities. Littering is prohibited.

3. The path around the take (the Laurel Path) is maintained for the enjoyment of all and considerable effort and money is expended to maintain this path. All motor vehicles are

prohibited from using this path. Horseback or bicycle riding is not permitted on this path. Snowmobiles and all-terrain vehicles are prohibited from using the Laurel Path or the lake.

4. None of the properties or facilities of the Association may be used for camping, cookouts or other forms of habitation except with prior written permission from an officer or delegate, and this only for the period and under the conditions of such permission.

5. The Eagles Mere Association is dedicated to preserving its' property in as natural a state as possible, while still providing members and guests access to its' woodlands and lake for recreational activities. The shoreline of the lake and the 100 ft. reserve, including the Laurel Path, will be maintained as a natural watershed and preserve in which;

(a). The harvesting of plants and hunting or trapping of animals is prohibited, unless necessary to control invasive or endemic species that pose a threat to the natural environment.

(b). The storage of any materials, dock sections, furniture, boats, construction materials or debris, etc, is prohibited on Association property, unless approved by the Association.

(c). The creation or placement of any type of structure on EMA property, or the landscaping or modification of EMA property, is prohibited unless approved by the EMA Board.

6. The possession and use of alcoholic beverages on the properties and facilities of the Association must conform to the rules and regulations of the Commonwealth of Pennsylvania Liquor Control Board and any other applicable laws and regulations. Permission for the storing and use of such beverages can only be given in writing by persons authorized by the Board of Trustees. Alcoholic beverages are not permitted in the beach area.

7. No cutting, trimming, or damaging of any trees and shrubs shall occur on Association property, including the one hundred (100) foot reserve around the Lake, except with the prior authorization of the Chair of the Property Committee or the Board.

The Beach

8. Roughhousing, fighting, and rowdiness, and the use of profanity, foul or obscene language will not be tolerated.

9. Sports that might interfere with the enjoyment of the beach by others shall be carried out on the athletic field and other areas remote from the beach. Only beach type balls, tennis balls and nerf type balls are allowed on the beach. Activities involving bats, sticks, clubs or hard balls are prohibited in the beach and beach lawn areas.

10. No child under nine (9) years of age shall be permitted in the beach area unless accompanied by a person at least fourteen (14) years of age who shall take full responsibility for the supervision and safety as well as the conduct of the younger child.

11. The safety rules as posted on the beach house by the Beach and Lake Director shall be applicable to all persons using the beach. The directions of the life guards and the Beach and Lake Director and Assistant Director are final.

12. Any person authorized to use the beach may be evicted from the beach area by the Association Manager, Beach and Lake Director or his or her delegate, but any suspension or termination of beach privileges or other privileges for more than a twenty-four (24) hour period shall be subject to affirmation by the Operations Committee Chair or an officer of the Association. Any person not authorized to use the facilities of the Association shall be evicted from the properties of the Association by any officer, trustee or employee of the Association.

13. Swimming in the lake is authorized only within the roped off swimming area at the beach and only at times when the lifeguards are on duty. Any person wishing to swim across the lake or some shorter distance outside the roped off area must obtain the permission of the lifeguards or Beach and Lake Director or Assistant Director, and must be accompanied by a "safety boat", a row boat or canoe containing at least two (2) persons.

14. The use of the lake for bathing or swimming other than within the roped off area at the beach at times when the lifeguards are on duty is not authorized, not permitted, and if done, is done without the consent of the Association and at the sole risk and responsibility of the person doing so.

15. Naked bathing or swimming in the lake at any time is prohibited.

16. No dogs or other pets will be permitted in the beach area at any time, except that persons walking the Laurel Path may take dogs on leashes through the beach area provided that the dogs are not permitted to delay in the beach area and are not permitted in or near the sandy part of the beach. Dogs on the Laurel Path or other Association property must be on leashes during the season and on weekends from Memorial Day to Columbus Day. Dogs are permitted in the lake from Gypsy Landing south around the lake to Bailey's dock.

17. The use of diving boards or any other water apparatus or toys, and conduct on the docks and in the water will be policed by the lifeguards and their orders are final. Socializing with lifeguards to a degree which interferes with performance of their duties is prohibited.

18. Beach umbrellas are not allowed in the sand part of the beach area. They are to be used only on the lawn areas. Beach type inflatable watercraft are not allowed in the lake beyond the roped off swimming area.

19. The washing of persons or pets in the lake is prohibited.

20. The Beach and lawn, and all associated areas and buildings are no smoking areas, as are the Hardly Able Launch and all EMA boat houses and docks.

Boating and Fishing

21. Each boat using the lake, or stored on Association property, must be registered with the Association and carry the current annual Association sticker affixed to the craft. The Association may refuse to register any boat. Boaters are required to obey Pennsylvania Fish and Boat Commission rules and regulations regarding the use of watercraft, including having on board a life vest for each occupant.

22. Only boats owned by members of the Eagles Mere Association are allowed on Eagles Mere lake or property. Renters and guests are prohibited from using their personal boats on the lake or pond. Members are prohibited from registering boats owned by non-members. (With the approval of the EMA Board of Trustees, non-member boats may be allowed access to the lake for special events or occasions).

23. Only Traditional Watercraft, sailboats, canoes, kayaks, rowboats, and windsurfers, that do not exceed 19 feet in length or 4.5 feet in width, are allowed on EMA waters. All other types of watercraft, such as Pontoon boats, catamarans, party boats, jet-skis, rafts, or float tubes of any type, are prohibited from being used on the lake or pond, except that beach type inflatables and tubes are allowed in the swimming area.

24. Mooring and docking spaces shall be allocated by the person in charge of the boat dock. Generally, space will be allocated on a first-come/first-serve basis, with preference being given to boats for which storage charges have been paid. Boats may be rigged on the main beach house boat dock, but may not remain there. The "visitors' dock" which is to the immediate right (west) of the beach is where visitors may pull up their boats. No boats with the exception of canoes, sailboats and row boats may be permanently moored at this dock.

25. No internal combustion motors are permitted in any boat on the lake except for the "Launch" and the lifeguard boat owned by the Association. Electric "outboard" motors are allowed, but they must be registered with the Association and must have affixed to the control housing a current annual Association sticker.

26. No boat of any kind shall be operated in a way that is dangerous to the occupants of that boat, to other persons, or to any other boat or its occupants. The orders of the Beach and Lake Director, lifeguards or the operator of the launch shall be followed at all times and any of them can order any boat off the lake, if in their opinion it is being operated in an unsafe manner or by a person not competent to operate it.

27. When sailing races are being conducted, entrants in these races are to be given right of way. All other craft must stay clear of the course and avoid any interference with the races.

28. Unauthorized use of any boat or any vandalism to a boat will make the culprit liable to suspension or termination.

29. It is strongly recommended that no person take a boat, particularly a sailboat, out on the lake unless there are other boats on the lake. This is particularly important before or after the season, since at these times most boats are stored and, in event of an accident, make a rescue difficult.

30. The Association accepts no responsibility, and does not provide insurance coverage, for boats moored, docked or stored on Association property. The Association will not rent privately owned boats.

31. Boats, except for "safety boats" accompanying swimmers, will not be operated on the lake during the July and August lake swims.

32. All laws and regulations of the Pennsylvania Fish Commission apply to everyone fishing in the lake. Fishing in the lake is limited to Members of the Association and their Registered Guests, except that non-member year round residents (as defined in the EMA By-Laws) living in the Eagles Mere Area are also permitted to fish in the lake, provided they fish from the shore and comply with the Pennsylvania Fish Commission laws and regulations and these rules and regulations. Such non-member persons may not extend this privilege to any guests. No ice fishing is permitted at any time by any person.

33. Since the lake is stocked with trout through the generosity of some of the members, it is requested that persons over twelve (12) years of age refrain from killing and keeping any trout less than twelve (12) inches long.

34. While not a requirement, the Association encourages the use of artificial lures and catch and release practices when fishing for trout.

35. The use of aquatic organisms for bait that are native to northeastern lakes and streams is prohibited in the lake and pond.

Windsurfers.

(a) A vest-type personal flotation device must be worn while on a windsurfer.

(b) Windsurfers should be used only when lifeguards are on duty.

(c) Windsurfers should not be used during scheduled sailing races.

C. Fees

1. The fees set forth in the annual Fee Schedule are designed to raise funds to enable the Eagles Mere Association to operate on a “break even” basis.
2. The Basic Annual Fee represents the cost of preserving and maintaining the properties and facilities of the Association, as separate from the cost of operating those facilities. Since this is a “basic charge” applicable to all members, its payment is a requirement of membership.
3. The Lake Protection Fee covers costs of the Association’s operations. This charge must be paid by all of those who use the lake or the beach.
4. The other fees attempt to allocate the financial load equitably among those who make use of the Association’s various facilities.
5. All Association bills shall be paid within sixty (60) days from the date of invoice. A discount of five be percent (5%) of the bill will be allowed on annual bills paid by the prescribed date. A penalty of five percent (5%) will be assessed on late payments. In the event it is necessary to suspend or terminate the privileges of a person or persons, the Association will refund fees or other charges. In the event a share of stock is not redeemed by a shareholder who is in arrears in any amount owed the Association, the arrearage will deducted from the redemption price.