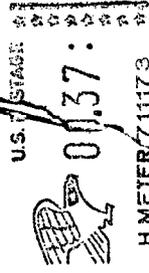


03-1572-CD  
JUNATA LAKE PROPERTIES, ETAL. vs. STEPHEN POORMAN & CO. etal.



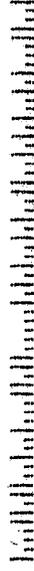
**MEYER • DARRAGH**  
**BUCKLER BEBENEK & ECK, P.L.L.C.**  
Attorneys-at-Law  
114 S. Main Street • Greensburg, PA 15601-1114



0015/106444

William A. Shaw, Prothonotary  
Clearfield County Courthouse  
230 East Market Street  
Clearfield, PA 16830

1683082446 0004



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Line of Credit  
different

Ordered ~~released~~  
not

2 diff. docs.

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Mailed - 7/14/04

CC Order of 7/13/04  
and

CC of 12/15/03 Notice  
including letter

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## Civil Other

Date		Judge
10/20/2003	Filing: Civil Complaint Paid by: Bernard P. Matthews, Jr., Esq. Receipt number: 1867785 Dated: 10/20/2003 Amount: \$85.00 (Check) 4 CC to Atty.	No Judge
	ORDER, NOW, this 20th day of October, 2003, re: Plaintiffs Motion for Preliminary Injunctive Relief. by the Court, s/JKR,JR.,P.J. 1 cc Atty Matthews, Juniata Lake Properties, and Stephen Poorman	No Judge
10/22/2003	Answer to Motion For Preliminary Injunctive Relief. s/Stephen P. Poorman Verified Statement s/Stephen P. Poorman Certificate of Service 1 cc to Atty	John K. Reilly Jr.
10/28/2003	Praecipe to Enter Appearance for Defendants filed by Atty. Etter. No CC.	John K. Reilly Jr.
	Preliminary Objections filed by Atty. for Defendant. No CC.	John K. Reilly Jr.
10/31/2003	Response to Preliminary Objections, filed by Atty. Matthews no cert.	John K. Reilly Jr.
11/25/2003	OPINION AND ORDER, AND NOW, this 24th day of November, 2003, re: Defendants, Stephen Poorman & Company, Inc's and Stephen Poorman's Preliminary Objections be and are hereby DISMISSED. FURTHER, it is hereby Ordered that the Motion for Preliminary or Special Injunction of Plaintiffs, Juniata Lake Properties, LLC and DuBois Country Clud, LTD, be and is hereby GRANTED. Defendants Stephen Poorman & Company, Inc. and Satephen Poorman, are hereby enjoined and directed to immediately transfer to Plaintiffs all funds, monies, or assets owned by Plaintiffs and held or maintained in accounts controlled or possessed by Defendants, including but not limited to the sum of \$233,940.91, compised of \$200,894.81 held in Defendants' escrow account ; \$28,666.21 held in a Sovereign Bank operating account; and \$4,379.89 held in a CSB Bank checking account (all identified in the October 13, 2003 letter from Mr.Poormanto Mr. Scott Moore, Exhibit E to Plaintiffs' Complaint in Equity) Plaintifs shall post bond in the amount of \$467,881.82 by the Court, s/JKR,JR.,P.J. 1 cc Atty Etter, Matthews and Mikesell	John K. Reilly Jr.
11/26/2003	Sheriff Return, Papers served on Defendant(s). So Answers, Chester A. Hawkins, Sheriff by s/Marilyn Hamm	John K. Reilly Jr.
12/15/2003	Notice of Service of Injunction Bond, Delivered by Theron G. Noble 1 Cert. to T. Noble (not atty. of record)	John K. Reilly Jr.
12/18/2003	Motion to Approve Bond And For Contempt. filed by, s/Bernard P. Matthews, Jr., Esquire 1 cc Atty Matthews	John K. Reilly Jr.
12/19/2003	Answer To Motion To Approve Bond And For Contempt And New Matter. filed by, s/Scott C. Etter, Esquire Certificate of Service no cc	John K. Reilly Jr.
12/26/2003	Reply To New Matter Asserted In Response To Motion For Contempt. filed by s/Bernard P. Matthews, Jr., Esq. Copy JKR,JR., P.3 Cert of Svc	John K. Reilly Jr.
02/24/2004	ORDER, AND NOW, this 24th day of February, 2004, re: Telephonic Conference call regarding the Bond Issue scheduled for Wed., Feb. 25, 2004, at 11:00 a.m. at the initiation of Bernard J. Matthews, Jr., Esq. by the Court, s/FJA, P.J. 1 cc Atty Matthews, Etter	John K. Reilly Jr.
02/26/2004	ORDER OF COURT, AND NOW, to wit, this 26th day of February, 2004, re: Plaintiffs' Motion to Approve teh \$467.881.82 Letter of Credit Bond posted by the Plaintiffs with the Prothonotary on December 16, 2003. by the Court, s/JKR,JR.,S.J., Specially Presiding 1 cc Atty Matthews, Etter	John K. Reilly Jr.
03/01/2004	Notice of Service Of Injunction Bond. filed by, s/Bernard P. Matthews, Jr., Esq. Certificate of Service no cc	John K. Reilly Jr.
06/28/2004	Motion to Terminate and Release Injunction, filed by s/Bernard P. Matthews, Jr., Esq. One CC Attorney	John K. Reilly Jr.

Date: 07/13/2004

Clearfield County Court of Common Pleas

User: BHUDSON

Time: 12:56 PM

ROA Report

Page 2 of 2

Case: 2003-01572-CD

Current Judge: John K. Reilly Jr.

Juniata Lake Properties, LLC, DuBois Country Club, LTD vs. Stephen Poorman & Company, Inc., Stephen Poorman

Civil Other

Date		Judge
06/30/2004	Order, AND NOW, this 30 day of June, 2004, upon consideration of Plaintiff's Motion to Terminate and Release Injunction Bond, Rule issued upon Defendants to appear and show cause why the said Motion should not be granted. Argument is scheduled the 13 day of July, 2004, at 2:00 p.m. in Courtroom No. 2. BY THE COURT: /s/John K. Reilly, Jr., Senior Judge Two CC Attorney B. Matthews with memo directing service to counsel	John K. Reilly Jr.

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

JUNIATA LAKE PROPERTIES, LLC and  
DUBOIS COUNTRY CLUB, LTD,

Plaintiffs,

vs.

STEPHEN POORMAN & COMPANY,  
INC. and STEPHEN POORMAN,

Defendants.

CIVIL DIVISION

No. 03-1572-CD

**COMPLAINT IN EQUITY FOR  
INJUNCTIVE RELIEF AND AN  
ACCOUNTING**

Filed on Behalf of Plaintiffs, Juniata Lake  
Properties, LLC and Dubois Country  
Club, LTD

Counsel of Record for this Party:

BERNARD P. MATTHEWS, JR., ESQ.  
PA. I.D. #54880

MEYER, DARRAGH, BUCKLER,  
BEBENEK & ECK, P.L.L.C.  
Firm No. 198  
114 South Main Street  
Greensburg, PA 15601-3102

Telephone No.: (724) 836-4840  
Fax No.: (724) 836-0532

JURY TRIAL DEMANDED

**FILED**

OCT 20 2003

William A. Shaw  
Prothonotary/Clerk of Courts

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

JUNIATA LAKE PROPERTIES, LLC and  
DUBOIS COUNTRY CLUB, LTD,

Plaintiffs,

vs.

STEPHEN POORMAN & COMPANY,  
INC. and STEPHEN POORMAN,

Defendants.

CIVIL DIVISION

No.

**NOTICE TO DEFEND**

You have been sued in court. If you wish to defend against the claims set forth in the following pages, you must take action within twenty (20) days after this complaint and notice are served, by entering a written appearance personally or by attorney and filing in writing with the court your defenses or objections to the claims set forth against you. You are warned that if you fail to do so the case may proceed without you and a judgment may be entered against you by the Court without further notice for any money claimed in the complaint or for any claim or relief requested by the Plaintiff. You may lose money or property or other rights important to you.

YOU SHOULD TAKE THIS PAPER TO YOUR LAWYER AT ONCE. IF YOU DO NOT HAVE OR KNOW A LAWYER, TELEPHONE THE OFFICE SET FORTH BELOW TO FIND OUT WHERE YOU CAN GET LEGAL HELP.

IF YOU CANNOT AFFORD TO HIRE A LAWYER, THIS OFFICE MAY BE ABLE TO PROVIDE YOU WITH INFORMATION ON AGENCIES THAT MAY OFFER LEGAL SERVICES TO ELIGIBLE PERSONS AT A REDUCED FEE OR NO FEE.

David S. Meholick, Court Administrator  
228 Courthouse  
230 E. Market Street  
Clearfield, PA 16830

(814) 765-2641, Ext. 5982

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

JUNIATA LAKE PROPERTIES, LLC and  
DUBOIS COUNTRY CLUB, LTD,

Plaintiffs,

vs.

STEPHEN POORMAN & COMPANY,  
INC. and STEPHEN POORMAN,

Defendants.

CIVIL DIVISION

No.

**COMPLAINT IN EQUITY FOR INJUNCTIVE RELIEF AND AN ACCOUNTING**

**AND NOW** come the plaintiffs, Juniata Lake Properties, LLC and Dubois Country Club, LTD, by and through their attorneys, **MEYER, DARRAGH, BUCKLER, BEBENEK & ECK, P.L.L.C. and Bernard P. Matthews, Jr.**, and file the following Complaint in Equity for Injunctive Relief and an Accounting, stating as follows:

1. Juniata Lake Properties, LLC is a Pennsylvania Limited Liability Company with a principal place of business located at 10 Lakeside Avenue, Dubois, Clearfield County, Pennsylvania. Juniata Lake Properties, LLC shall hereafter be referred to as "JLP".

2. Dubois County Club, LTD is a Pennsylvania Business Corporation created for the purposes of leasing, managing and operating the golf course and country club known as Dubois Country Club, with a principal business address of 10 Lakeside Avenue, Dubois, Clearfield County, Pennsylvania. Dubois Country Club, LTD shall hereafter be

referred to as "DCC".

3. Stephen Poorman & Company, Inc. is a Pennsylvania Business Corporation with a principal place of business located at 143-147 East Main Street, Suite 2D, Lock Haven, Pennsylvania 17745. Stephen Poorman & Company, Inc. shall hereafter be referred to as "Poorman & Company".

4. Stephen Poorman is an adult individual and the President of Poorman & Company. It is believed that Poorman resides in Lock Haven, Pennsylvania.

5. On or about October 16, 2002, various persons, including Stephen Poorman, entered into an Operating Agreement forming JLP for the purpose of acquiring and thereafter managing the real property comprising Dubois Country Club, leasing golf carts and equipment for the club, holding a liquor license, developing land and investing sufficient funds to continue the operation of a non-profit corporation formerly known as Dubois Country Club. A true and correct copy of the original Operating Agreement of JLP dated October 16, 2002 is attached hereto as Exhibit "A".

6. In connection with the creation of JLP, JLP acquired the assets of the former non-profit corporation known as Dubois Country Club and subsequently leased those assets to DCC for the operation of Dubois Country Club.

7. Under the original Operating Agreement, at Section 5.01, Poorman & Company was designated to provide oversight and development efforts to the

Management Committee of JLP.

8. Under the original Operating Agreement, at Section 8.01, all funds of JLP were to be deposited into such checking account or other accounts in such banking institutions as the Members shall designate, and Poorman & Company had authority to sign checks not exceeding \$5,000.00 without approval of two Members.

9. Section 8.01 of the original Operating Agreement also provided:

“Initially, and for such time as may be determined by the Members, Company monies shall be deposited in a Merrill Lynch WCMA account, or in an interest bearing account with a local financial institution. Members’ contributions, loan proceeds and income shall be deposited in the aforesaid account and all expenses shall be paid therefrom.”

10. According to a report from Poorman & Company’s “Accounting Department” dated September 8, 2003 (attached as Exhibit “B”), \$590,000 in Member capital contributions had previously been transmitted to Poorman & Company for deposit in accounts owned by JLP.

11. On October 9, 2003, the Members of JLP conducted a special meeting and unanimously voted to amend Section 5.01 and 8.01 pursuant to the terms of the Resolution attached hereto as Exhibit “C”.

12. Under the October 9, 2003 Resolution, Poorman & Company was no longer authorized to expend funds and was directed “to immediately transfer and/or return to the Company any funds, monies or assets owned by the Company or Dubois Country Club,

LTD which are maintained and/or held in accounts under the possession of Stephen Poorman & Company, Inc.”

13. Poorman & Company and Stephen Poorman were provided with a copy of the October 9, 2003 Resolution via facsimile letter on October 10, 2003, a true and correct copy of which is attached hereto as Exhibit “D”.

14. In response to the facsimile of October 10, 2003, Poorman & Company and Poorman responded in a letter dated October 13, 2003 as follows:

“After consultation with our Attorney, we are withholding (i) \$137,812.39 for the amount due under the Management Agreement (ii) \$30,278.24 for my 3.85% equity ownership in the Limited Liability Company and (iii) \$32,000.00 for day-to-day management services from October 1, 2002 through and including September 30, 2003.

Juniata Lake Properties, LLC currently has \$200,894.81 (including the Capital Crossing Bank Bond which matures October 10, 2003) in our escrow account and \$28,666.21 in the Sovereign operating account; DuBois Country Club, LTD currently has \$4,379.89 in the CSB Bank checking account. Thus, we will be returning \$33,850.28. You may send an accountant to our office to review the accounts or any other documents to verify the above sums.”

A true and correct copy of Poorman & Company’s letter dated October 13, 2003 is attached hereto as Exhibit “E”.

15. On or about October 14, 2003, JLP and DCC received two checks from Poorman & Company and Poorman in the amount of \$28,666.21 and \$804.18, respectively. Both checks contained restrictive endorsements unilaterally attached by

Poorman & Company providing that endorsement of the checks represents an acknowledgment that all funds have been returned, releases Poorman & Company from all claims, and serves as an acknowledgment that Poorman & Company has returned all funds to JLP and DCC "from the beginning of time to the date hereof". A true and correct copy of said checks and the restrictive endorsements thereon is attached hereto as Exhibit "F".

16. Poorman & Company and Stephen Poorman have failed and/or refused to return to JLP and DCC all funds, monies or assets owned by JLP or DCC which are maintained and/or held in accounts under the possession and control of Poorman & Company and Stephen Poorman, as required by Resolution dated October 9, 2003, including at least the sum of \$233,940.91 outlined in Exhibit "E".

17. JLP and DCC currently have accounts payable totaling at least \$57,266.23.

18. Because Poorman & Company and Stephen Poorman have failed and/or refused to return to JLP and DCC funds that JLP and DCC own, JLP and DCC currently have only \$27,025.76 with which to operate the Country Club.

19. Without injunctive relief, JLP and DCC will suffer irreparable harm as a result of the unilateral decision of Poorman & Company and Stephen Poorman to unlawfully withhold funds owned by JLP and DCC.

20. Poorman & Company and Stephen Poorman are in breach of the Operating

Agreement of JLP by failing and/or refusing to return funds owned by JLP and DCC pursuant to the October 9, 2003 Resolution.

**WHEREFORE**, Juniata Lake Properties, LLC and Dubois Country Club, LTD, respectfully request that this Honorable Court enter a special, preliminary and permanent injunction enjoining and directing Stephen Poorman & Company, Inc., Stephen Poorman and all persons and banking institutions acting in concert with them and/or under their control to immediately transfer and/or return to Juniata Lake Properties, LLC and Dubois Country Club, LTD any funds, monies or assets owned by Juniata Lake Properties, LLC or Dubois Country Club, LTD which are maintained and/or held in accounts under the possession and control of Stephen Poorman & Company, Inc. and Stephen Poorman, including but not limited to at least the sum of \$233,940.91 identified in the letter dated October 13, 2003 from Stephen Poorman & Company, Inc. which is attached hereto as Exhibit "E".

#### **ACCOUNTING**

21. The allegations of paragraphs 1 through 20 above are incorporated herein by reference as if the same were set forth fully here and at length.

22. Under the original Operating Agreement, all funds of the Company, including \$590,000 in Member contributions, were transferred to accounts controlled or possessed by Stephen Poorman & Company and/or Stephen Poorman.

23. By their own admission, Poorman & Company and Stephen Poorman have expended at least \$356,059.09 of the funds of JLP and DCC without accounting to the Members of JLP and DCC for the expenditure of said funds.

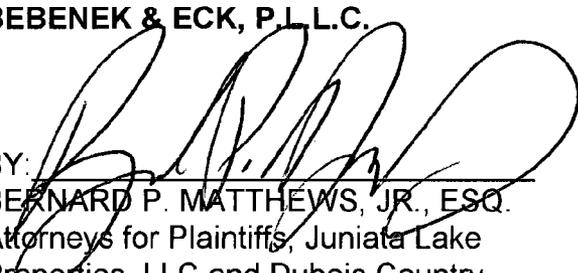
24. Poorman & Company and Stephen Poorman have failed and/or refused to provide accounting for expenditure of said funds.

25. JLP and DCC believe and, therefore, aver that funds have been expended by Poorman & Company and Stephen Poorman in violation of the Operating Agreement.

**WHEREFORE**, pursuant to Pa. R.C.P. 1530, plaintiffs, Juniata Lake Properties, LLC and Dubois Country Club, LTD, demand an immediate accounting of all of plaintiffs' funds expended by Poorman & Company and Stephen Poorman.

Respectfully submitted,

**MEYER, DARRAGH, BUCKLER,  
BEBENEK & ECK, P.L.L.C.**

BY:   
BERNARD P. MATTHEWS, JR., ESQ.  
Attorneys for Plaintiffs, Juniata Lake  
Properties, LLC and Dubois Country  
Club, LTD

**JURY TRIAL DEMANDED**

**VERIFIED STATEMENT**

I, BERNARD P. MATTHEWS, JR., ESQUIRE, being the attorney for plaintiffs herein, am duly authorized to make this verified statement on their behalf as the verified statement of plaintiffs cannot be obtained in time for the filing of this pleading. I hereby verify that the statements set forth in the within Complaint in Equity for Injunctive Relief and an Accounting are true and correct to the best of my knowledge, information and belief.

I understand that false statements made herein are subject to the penalties of 18 Pa. C.S. Section 4904, relating to unsworn falsification to authorities.

  
BERNARD P. MATTHEWS, JR., ESQUIRE

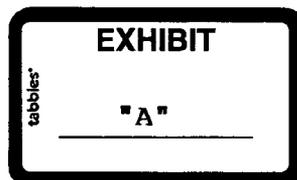
Date: 10/19/03

# Operating Agreement

ORIGINAL

## **Juniata Lake Properties, LLC** a Pennsylvania Limited Liability Company Ownership of Real Estate and Rental of Equipment

October 16, 2002



# OPERATING AGREEMENT LIMITED LIABILITY COMPANY

**THIS OPERATING AGREEMENT**, made this 16th. day of October, 2002, by and among L. Rocky Cristini, Brockport, Pennsylvania, Lindo Cristini, DuBois, Pennsylvania, Ronnie G. Emanuelson, DuBois, Pennsylvania, Don H. Erickson, III, DuBois, Pennsylvania, D. H. Erickson, Jr., DuBois, Pennsylvania, George M. Fatula, DuBois, Pennsylvania, Donald R. Fezell, DuBois, Pennsylvania, George L. Gent, DuBois, Pennsylvania, Robert M. Hallstrom, DuBois, Pennsylvania, James R. Hartzfeld, DuBois, Pennsylvania, Donald E. Jewell, DuBois, Pennsylvania, Joseph A. Kirk, DuBois, Pennsylvania, Richard T. Kirsch, DuBois, Pennsylvania, Michael J. Kush/Cheryl Kush, DuBois, Pennsylvania, Kenneth C. Lezzer, Curwensville, Pennsylvania, Scott J. Moore, DuBois, Pennsylvania, Theron G. Noble, Clearfield, Pennsylvania, Kevin Kush/JoAnne R. O'Donnell, DuBois, Pennsylvania, James S. Osburn, III, DuBois, Pennsylvania, Mark A. Piasio, DuBois, Pennsylvania, Stephen P. Poorman, Lock Haven, Pennsylvania, Ted L. Reitz, DuBois, Pennsylvania, Charles Reynolds, DuBois, Pennsylvania, Vernon L. Shaffer, Jr., DuBois, Pennsylvania, Ronald N. Statler, DuBois, Pennsylvania and P. Joseph Valigorsky, II, DuBois, Pennsylvania, hereinafter referred to as "Member" or collectively as "Members".

## WITNESSETH:

WHEREAS, the parties have agreed to organize and operate a limited liability company in accordance with the terms and subject to the conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein, and further intending to be legally bound hereby, the parties agree as follows:

## ARTICLE I GENERAL DEFINITIONS

1.00 The following terms shall have the meaning specified in this Article I. Other terms are defined in the text of this Agreement, and, throughout this Agreement, those terms shall have the meanings respectively ascribed to them.

1.01 "Agreement" means this Operating Agreement, as amended from time to time.

1.02 "Code" means the Internal Revenue Code of 1986, as amended, or any corresponding provision of any succeeding law.

1.03 "Company" means the limited liability company formed in accordance with this Agreement.

1.04 “DuBois Country Club” means a non-profit Pennsylvania corporation that is selling all of its Real Estate and Assets to the Company.

1.05 “Facility” means the operation known as DuBois Country Club located at 10 Lakeside Avenue, DuBois, Jefferson County, Pennsylvania.

1.06 “Interest” means a Member’s share of the Profits and Losses of, and the right to receive distributions and a return of capital contributions from, the Company.

1.07 “Involuntary Dissociation” means, with respect to any Member, the occurrence of any of the events set forth in Code Section 8971(a)(4).

1.08 “Law” means the Pennsylvania Limited Liability Company Law of 1994, 15 Pennsylvania Consolidated Statutes, Chapter 89, as amended from time to time.

1.09 “Management Committee” means a group of five (5) Members selected by the Members to operate the Company.

1.10 “Member” means each Person signing this Agreement and any Person who subsequently is admitted as a member of the Company.

1.11 “Membership Rights” means all of the rights of a Member in the Company, including a Member’s: (i) interest; (ii) right to inspect the Company’s books and records; (iii) right to participate in the management of and vote on matters coming before the Company; and (iv) unless this Agreement or the Certificate of Organization provide to the contrary, right to act as an agent of the Company.

1.12 The corporation will be formed by company to operate DuBois Country Club and it will be known as DuBois Country Club, Ltd.

1.13 “Percentage” means, as to a Member, the percentage set forth after the Member’s name in Section 2.06 below, as amended from time to time, and as to an Interest Holder who is not a Member, the Percentage of the Member whose Interest has been acquired by such Interest Holder, to the extent the Interest Holder has succeeded to that Member’s Interest.

1.14 “Person” means and includes an individual, corporation, partnership, association, limited liability company, trust, estate, or other entity.

1.15 “Regulation” means the income tax regulations, including any temporary regulations, from time to time promulgated under the Code.

1.16 “Stephen Poorman & Company, Inc.” means a for-profit Pennsylvania corporation located at 143-147 East Main Street, Lock Haven, Clinton County, Pennsylvania, that provides management support to the Company and Newco.

1.17 “Transfer” means, when used as a noun, any voluntary sale, hypothecation, pledge, assignment, attachment, or other transfer; and, when used as a verb, means voluntarily to sell, hypothecate, pledge, assign, or otherwise transfer.

## ARTICLE II ORGANIZATION

2.01 Organization. The parties shall organize a limited liability company pursuant to the Law and the provisions of this Agreement and, for that purpose, shall cause the Certificate of Organization, in the form attached as Exhibit A, to be executed and filed for record with the Pennsylvania Department of State.

2.02 Name of the Company. The name of the Company shall be “Juniata Lake Properties, LLC”. The Company may do business under that name, under the trade name “DuBois Country Club,” or under any other name or names upon which the Members agree. If the Company does business under a name other than that set forth in its Certificate of Organization, then the Company shall file a fictitious name registration if required by law.

2.03 Purpose. The Company is organized for the purpose of (i) managing the Facility (ii) leasing golf carts and equipment to Newco (iii) leasing equipment from third parties (vi) holding a liquor license (v) developing land and (iv) conducting such other lawful business as may be agreed upon by the Members. The Company will purchase equipment and real estate from the DuBois Country Club and lease same to Newco under a Golf, Restaurant and Office Equipment Lease and Agreement of Lease for real estate.

2.04 Term. The term of the Company shall begin upon the filing of a Certificate of Organization with the Pennsylvania Department of State and shall continue in perpetuity, unless its existence is sooner terminated pursuant to Section VII of this Agreement.

2.05 Principal Office. The registered office shall be 143-147 East Main Street, Lock Haven, Clinton County, Pennsylvania and the principal place of business shall be 10 Lakeside Avenue, DuBois, Clearfield County, Pennsylvania, or such other place or places as may be mutually agreed upon by the Members.

2.06 Members.

206.1 The name, present mailing address, taxpayer identification number, and Percentage of each Member are as follows:

1. Name: L. Rocky Cristini  
Address: 8234 Route 153  
Brockport, PA 15823  
SSN:  
Percentage: 3.85%

2. Name: Lindo Cristini  
Address: R. D. 3, Box 31  
DuBois, PA 15801  
SSN:  
Percentage: 3.85%
3. Name: Ronnie G. Emanuelson  
Address: 517 E. Sheridan Avenue  
DuBois, PA 15801  
SSN: 166-34-3460  
Percentage: 3.85%
4. Name: Don H. Erickson, III  
Address: 2004 Green Glen Drive  
DuBois, PA 15801  
SSN: 159-42-8855  
Percentage: 3.85%
5. Name: Don H. Erickson, Jr.  
Address: 404 E. Sheridan Avenue  
DuBois, PA 15801  
SS:  
Percentage: 3.85%
6. Name: George M. Fatula  
Address: 529 Sunflower Drive  
DuBois, PA 15801  
SSN: 168-36-0914  
Percentage: 3.85%
7. Name: Donald R. Fezell  
Address: P. O. Box 545  
DuBois, PA 15801  
SSN: 184-30-5888  
Percentage: 3.85%
8. Name: George L. Gent  
Address: 219 Wayne Road  
DuBois, PA 15801  
SSN: 170-26-3157  
Percentage: 3.85%

9. Name: Robert M. Hallstrom, AIA  
Address: 1554 Treasure Lake  
DuBois, PA 15801  
SSN: 179-42-8737  
Percentage: 3.85%
10. Name: James R. Hartzfeld  
Address: 9 Lakeside Avenue  
DuBois, PA 15801  
SS: 205-34-6446  
Percentage: 3.85%
11. Name: Donald E. Jewell  
Address: P. O. Box 1102  
DuBois, PA 15801  
SSN: 184-46-7304  
Percentage: 3.85%
12. Name: Joseph A. Kirk  
Address: 301 S. Main Street  
DuBois, PA 15801  
SSN: 208-30-1870  
Percentage: 3.85%
13. Name: Richard T. Kirsch  
Address: 105 Old Woods Road  
DuBois, PA 15801  
SSN: 194-36-7287  
Percentage: 3.85%
14. Name: Dr. Michael J. and Cheryl Kush  
Address: 90 Beaver Drive, Box 14  
DuBois, PA 15801  
SSN: 354-38-5265 and 373-56-5010  
Percentage: 3.85%
15. Name: Kenneth C. Lezzer  
Address: P. O. Box 21  
Curwensville, PA 16833  
SSN: 171-46-9278  
Percentage: 3.85%
16. Name: Scott J. Moore  
Address: 420 North Fourth Street  
DuBois, PA 15801  
SSN: 160-48-3892  
Percentage: 3.85%

- Name: Theron G. Noble Esquire  
Address: 301 E. Pine Street  
Clearfield, PA 16830  
SS: 189-44-0449  
Percentage: 3.85%
18. Name: Kevin and JoAnne R. O'Donnell  
Address: 111 E. Second Avenue  
DuBois, PA 15801  
SSN: 167-42-0830 Kevin 159-42-8985 Joanne  
Percentage: 3.85%
19. Name: Mark A. Piasio, M.D.  
Address: 705 Treasure Lake  
DuBois, PA 15801  
SSN: 126-42-7848  
Percentage: 3.85%
20. Name: Ted L. Reitz  
Address: 313 E. Sheridan Avenue  
DuBois, PA 15801  
SSN: 197-28-7550  
Percentage: 3.85%
21. Name: Charles Reynolds, CLU  
Address: R. D. #3, Box 129C  
DuBois, PA 15801  
SSN: 211-36-4267  
Percentage: 3.85%
22. Name: Vernon L. Shaffer, Jr.  
Address: 26 Treasure Lake  
DuBois, PA 15801  
SSN: 556-80-9203  
Percentage: 3.85%
23. Name: Ronald N. Statler, D.M.D.  
Address: R. R. #4, Box 630  
DuBois, PA 15801  
SSN: 171-46-9644  
Percentage: 3.85%
24. Name: P. Joseph Valigorsky, II, M.D.  
Address: 902 Chestnut Avenue  
DuBois, PA 15801  
SSN: 167 42 0 334  
Percentage: 3.85%

Name: James S. Osburn,  
Address: 501 Liberty Boulevard, P. O. Box 524  
DuBois, PA 15801

SSN:  
Percentage: 3.85%

26. Name: Stephen P. Poorman  
Address: 143-147 East Main Street  
Lock Haven, PA 17745

SSN: 211-38-1473  
Percentage: 3.85%

206.2 Any Member shall have the right to convey his or her interest in the Company to his or her spouse so that the Member and his or her spouse would own the interest jointly. If a Member shall elect to do this, then the Member shall immediately notify the Management Committee. Both the original Member and his or her spouse would then be considered Members, but their joint interest would be limited to the original Member's percentage interest. The Member and his or her spouse must vote as one vote and if unable to agree, the original Member shall have the right to cast the vote for both.

### ARTICLE III CAPITAL

3.01 Capital Accounts. A separate Capital Account shall be maintained for each Member. The Company's profits shall be credited to the Capital Account of each Member and the Company's losses shall be charged to such accounts. If the Capital Account of a Member becomes impaired, his share of subsequent Company profits shall first be credited to his Capital Account until the account has been restored.

3.02 Initial Capital Contributions. Upon the execution of this Agreement, the Members shall contribute to the Company cash in the amounts respectively set forth below:

L. Rocky Cristini	\$30,000.00
Lindo Cristini	\$30,000.00
Ronnie G. Emanuelson	\$30,000.00
Don H. Erickson, III	\$30,000.00
Don H. Erickson, Jr.	\$30,000.00
George M. Fatula	\$30,000.00
Donald R. Fezell	\$30,000.00
George L. Gent	\$30,000.00
Robert M. Hallstrom, AIA	\$30,000.00
James R. Hartzfeld	\$30,000.00
Donald E. Jewell	\$30,000.00
Joseph A. Kirk	\$30,000.00
Richard T. Kirsch	\$30,000.00
Dr. Michael J. and Cheryl Kush	\$30,000.00
Kenneth C. Lezzer	\$30,000.00
Scott J. Moore	\$30,000.00

Theron G. Noble, Esquire	\$30,000.00
Kevin and Joanne R. O'Donnell	\$30,000.00
James S. Osburn, III	\$30,000.00
Mark A. Piasio, M.D.	\$30,000.00
Ted L. Reitz	\$30,000.00
Charles Reynolds, CLU	\$30,000.00
Vernon L. Shaffer, Jr.	\$30,000.00
Ronald N. Statler, D.M.D.	\$30,000.00
P. Joseph Valigorsky, II, M.D	\$30,000.00
Stephen P. Poorman	\$30,000.00 *

\*contribution will be made vis-à-vis reduced management fees.

3.03 Installment Capital Contributions. Any Member who opts to pay the Initial Capital Contributions in installments as hereinafter set forth, shall pay interest at the rate of four (4%) percent, compounded annually. The Member shall remit payments to the Principal office at the Company as follows:

September 15, 2002	\$ 1,000.00
October 15, 2002	\$10,000.00
March 31, 2003	\$ 7,000.00
December 31, 2003	\$ 6,000.00
March 31, 2004	\$ 6,000.00
March 31, 2004	\$ 786.13 (Accumulated Interest)

3.04 Any Member who should fail or refuse to make his Initial Capital Contribution, or the Installment Capital Contribution(s), within thirty (30) days of the due dates established in this Article, shall forfeit one-half (1/2) of his paid-in capital and same shall be added to the capital account of those Members who paid in accordance with the terms of this Agreement.

3.05 Additional Capital Contributions. If, pursuant to Agreement, the Members, at any time or from time to time, determine that the Company requires additional Capital Contributions, then each Member shall contribute his share of additional Capital Contributions. A Member's share of the additional Capital Contributions shall be equal to the product obtained by multiplying the Member's percentage and the total additional Capital Contributions required. Within thirty (30) days after the Members have determined the amount of additional Capital Contribution required, each Member shall pay the Member's share, in cash or by bank treasurer's check, to the Company. This capital contribution may be adjusted depending on borrowing needs.

3.06 Interest on Capital Contributions. No interest shall be due except as set forth in Paragraph No. 3.03 above.

3.07 Return of Capital Contributions. No Member shall withdraw any portion of the initial capital of the Company without the express written consent of the other Members.

3.08 Loans. Any Member may, at any time, make or cause a loan to be made to the Company in any amount and on those terms upon which the Company and the Member agree.

**ARTICLE IV  
PROFIT, LOSS AND DISTRIBUTIONS**

4.01 Allocating Profit or Loss. The net profits and losses of the Company shall be borne by the individual Members and in proportion as their interest may appear. The distribution of the net profits of the Company, pursuant to this paragraph, shall be made to the Members or to any individual Member on a quarterly basis and the Company shall maintain no more than \$10,000.00 in its Operating Account after December 31, 2004.

4.02 Distributions. The net profits from operations or the return of Loan principal and interest of the Company may be distributed to the Members pursuant to their agreement. The term "net profit" shall mean the net profits of the Company as determined by the certified public accountant for the Company. The Company shall appoint an Accountant to serve for such time as shall be determined by the Company at its sole discretion.

4.03 All profit and loss shall be allocated, and all distributions shall be made to the Members shown on the records of the Company, as of the last day of the taxable year for which the allocation or distribution is to be made.

**ARTICLE V  
MANAGEMENT: RIGHTS, POWERS & DUTIES**

5.01 Management. The Company shall be managed by a five (5) member Management Committee. The initial Management Committee shall be comprised of Scott J. Moore, Richard T. Kirsch, Donald R. Fezell, Joseph A. Kirk and Ronald N. Statler. The Management Committee Members will be elected each year at the annual meeting described hereinafter. The Company, through its Management Committee, will execute a Management Agreement with SPC for oversight and development efforts to its Management Committee and Newco. A copy of the aforesaid agreement is attached hereto, marked "Exhibit B," and made a part hereof.

5.02 Meetings of and Voting by Members.

5.02.1 An annual meeting of the Members of the Company shall be held in each calendar year at the Facility, commencing with the year 2003, at such time and on such date as Members holding at least fifty percent (50%) of the Percentages then held by Members may determine, or if the Members fail to set a time and date, at 10:00 A.M., on the 2<sup>nd</sup> day of January. At such annual meeting there shall be the conduct of such business as may come before the Members.

5.02.2 In addition to the annual meeting, a special meeting of the Members may be called at any time by those Members holding at least fifty percent (50%) of the Percentages then held by Members. Not less than ten (10) nor more than ninety (90) days before each meeting,

the Member calling the meeting shall give written notice of the meeting to each Member entitled to vote at the meeting. The notice shall state the time, place, and purpose of the meeting. Notwithstanding the foregoing provisions, each Member who is entitled to notice waives notice if before or after the meeting the Member signs a waiver of the notice which is filed with the records of Members' meetings, or is present at the meeting in person or by proxy. Unless this Agreement provides otherwise, at a meeting of Members, the presence in person or by proxy of Members holding not less than fifty percent (50%) of the Percentages then held by Members constitutes a quorum. A Member may vote either in person or by written proxy signed by the Member or by his duly authorized attorney-in-fact.

5.02.3 Except as otherwise provided in this Agreement, wherever this Agreement requires the approval of the Members, the affirmative vote of Members holding more than fifty percent (50%) of the Percentages then held by Members shall be required to approve the matter.

5.03 Consent. Members may act by unanimous written consent, or by partial written consent by the holders of a majority of the Percentages then held by Members, and such consent shall have the same force and effect as if such action were by vote at a duly authorized meeting of Members. Wherever the Law requires unanimous consent to approve or take any action, such consent shall, in all cases, mean the consent of all Members.

5.04 Officers. Scott J. Moore shall be the initial President and Richard T. Kirsh shall be the initial Secretary/Treasurer of the Company. Officers will be elected each year at the annual meeting described above.

5.05 Duties of Parties.

5.05.1 Each Member shall devote such substantial time, attention and skills to the furtherance of the Company business as may be appropriate. This shall include, but shall not be limited to, the review of all reports, documents, communication with management and meeting attendance.

5.05.2 Nothing in this Agreement shall be deemed to restrict in any way the rights of any Member to conduct any other business or activity whatsoever, and the Member shall not be accountable to the Company or to any Member with respect to that business or activity; provided, however, that said business or activity shall not interfere with the purposes of the Company.

5.06 Liability and Indemnification.

5.06.1 Without the consent of all Members, no Member on behalf of the Company shall endorse any note, or act as an accommodation party, or otherwise become surety for any person, borrow or lend money, make, deliver or accept any commercial paper, execute any mortgage, bond or lease, or purchase or contract to purchase, or sell or contract to sell, any property bought and sold in the regular course of its business. No Member shall mortgage his share in the Company or in its capital assets or property, or enter into any agreement as a result of which any person shall become interested with him in the Company, or do any act detrimental to the business interest of the Company or which would make it impossible to carry on the ordinary course of the Company. Any obligation incurred in violation of this provision shall be charged and collected from the individual Member incurring such obligation. The Company will assess a 10% penalty if any Member should fail to make required contributions due within ten (10) days from the date they are notified of the obligation.

5.06.2 The President shall be authorized to initially execute loan documents to (i) borrow money/assume debt up to a maximum of Three Hundred Twenty-Five Thousand (\$325,000.00) Dollars to be repaid over eighty-four (84) equal monthly installments and (ii) to borrow a maximum of One Hundred Fifty Thousand (\$150,000.00) Dollars under a business "Line of Credit" with CSB or M&T Bank for the purpose of refinancing debt to acquire the assets of The DuBois Country Club as described in Paragraph No. 2.1 and debt described in Paragraph 4.2 of an Asset Purchase Agreement attached hereto and marked Exhibit "C."

5.06.3 The Company shall indemnify each Member for any act performed by the Member with respect to Company matters, except for willful misconduct or recklessness or an intentional breach of this Agreement, to the full extent permitted by law.

5.07 Nondisclosure. No Members shall disclose to the general membership of DuBois Country Club or to any competitor, or to any third party, the subject matter of any Company meetings or Company business, including but not limited to Communication and documentation, without first obtaining the written consent of the President. If any Member shall disclose this information and if the Company suffers any loss, financial or otherwise, the offending Member shall make the Company whole.

**ARTICLE VI**  
**TRANSFER OF INTEREST/WITHDRAWAL OF MEMBERS**

6.01 Transfers Prohibited. Except as otherwise provided in this Agreement, a Member may not Transfer all, or any portion of, or any interest or rights in, the Membership Rights owned by the Member. Each Member hereby acknowledges the reasonableness of this prohibition in view of the purposes of the Company and the relationship of the Members. Any Transfer of any Membership Rights in violation of this Agreement shall be deemed invalid, null and void, and of no force or effect; and the transferee of the Membership Rights shall not be entitled to vote on matters affecting management of the Company, act as an agent of the Company, receive distributions, or have any other right in or with respect to the Company.

6.02 Transfer of Interest.

- 6.02.1 Any Member may withdraw from the Company at the close of any calendar year as specifically set forth in this Agreement.
- 6.02.2 The withdrawing Member shall notify the other Members of his intention to withdraw in writing delivered to the other Members at least ninety (90) days prior to the end of said year.
- 6.02.3 The other Members shall have the option to purchase the Company interest of the withdrawing Member in equal shares upon the terms set forth in this Article. The other Members shall exercise the option herein granted to them by delivering to the withdrawing Member at least sixty (60) days prior to the end of said Company year a written notice of their agreement to purchase the Company interest of the withdrawing Member on the terms herein set forth.
- 6.02.4 If the other Members fail to exercise the option to purchase the interest of the withdrawing Member, the withdrawing Member shall immediately notify the Member or Members who have exercised their respective purchase option, and such Member or Members shall have the additional option of purchasing in equal shares the withdrawing Member's entire interest in the Company, which additional option may be exercised within thirty (30) days after their receipt of the aforementioned written notice from the withdrawing Member.
- 6.02.5 The interest of any Member shall be automatically transferred in accordance with Paragraph No. 3.04 of this Agreement.
- 6.02.6 If options to purchase the entire interest of the withdrawing Member are not exercised, the Company shall buy back the interest or in the alternative, the Company shall be liquidated.

6.03 Death of Member. Upon the death of any Member, his estate shall sell and surviving Members shall purchase the decedent's interest of the Company. The terms of sale shall be determined pursuant to this Article.

6.04 Purchase Price. The Purchase Price for the sale and purchase of any Company interest under this Agreement shall be equal to the sum of the following:

6.04.1 The Member's Capital Account at the end of the fiscal year preceding the date of sale plus or minus the net earnings or losses of the Company properly allocated to the Company's interest being sold since that date, up to the end of the month preceding the offer of the selling Member or in the case of the deceased Member the end of the month preceding the date of death of the deceased Member.

6.05 Assets and Liabilities. For purposes of the sale of the Company interest, the assets and liabilities of the Company shall be reflected by the Accountant for the Company on the accrual basis, without any allowance for goodwill or other intangible assets. The price for the Company's interest to be sold determined as herein before provided, shall be reduced, however, by the selling Member's (or his estate) proportionate share of an amount needed as a reserve for any unpaid taxes or contingent liabilities to which the Company may be subject. Said reserve shall be set aside in an escrow account, which account, if possible, shall be an interest bearing account and shall be disbursed to the satisfaction of those liabilities for which the same was established if and when the same arise and become payable. If not sooner distributed, any portion of the escrow account not disbursed, for such purposes within one (1) year from the date of sale shall be remitted to the selling and purchasing parties at that time if there then remains no unsatisfied liability against the which said account was established.

6.06 Payment of Purchase Price. The Purchase Price for the sale of a Company interest hereunder, unless otherwise agreed by the parties to said sale, shall be paid as follows:

6.06.1 Twenty (20%) percent thereof shall be payable two (2) months after the date of closing.

6.06.2 The balance thereof shall be paid in four (4) additional equal, successive annual installments, together with interest on the unpaid balance at a rate equal to National Prime + 1% as of the date of closing under this Agreement by reference to Section 1274 of the U.S. Internal Revenue Code.

6.07 Closing. Upon the completion of the Agreement for the sale and purchase of the Company interest of the withdrawing or deceased Member, the parties thereto shall agree upon a closing date which shall be held within thirty (30) days of the completion of the said agreement. All instruments of conveyance shall be delivered at Closing.

6.08 Documents. The purchasing Member shall deliver to the selling Member at Closing their duly executed promissory notes setting forth the terms of payment as herein before provided, which notes shall also contain a confession of judgment in the full amount of the unpaid balance of the Purchase Price and a waiver of exemption and a release of all errors and shall provide for the acceleration in payment of the entire balance due upon default for forty-five (45) days and the payment of principal or interest hereunder. In addition, the selling Member shall be entitled to a lien upon the Company assets as further security for the payment of the Purchase Price. The purchasing Members shall assume all Company liabilities of the selling Member and shall indemnify and save harmless the selling Member from any liability or loss arising from such Company liabilities. Such written instruments as shall be necessary to effectuate this provision shall be delivered at Closing. After the sale of the Company interest that is herein above provided, the selling Member, or the personal representative of a deceased Member whose Company's interest was sold, shall have no further interest in the Company or any of its assets or profits except as specified in the closing documents.

6.09 Profits and Losses Prior to Closing. All profits accruing and all losses suffered by the business after the valuation date for sale hereunder and up to the date of Closing shall be determined and shall be shared and borne by the Members in according with this Agreement. Payment to a departing Member or to a deceased Member's estate of such Member's proportionate share of Company profits during such period shall be made at the time of the payment of the first installment of the Purchase Price under this Article. The Member's proportionate share of any losses for such period may be deducted from the first installment of the Purchase Price.

## ARTICLE VII DISSOLUTION

7.01 Events of Dissolution. The Company shall be dissolved upon the happening of any of the following events:

- 7.01.1 When the period fixed for its duration in Section 2.04 has expired;
- 7.01.2 Upon the unanimous written agreement of the Members; or
- 7.01.3 Cessation of the operation of Newco or the Facility;
- 7.01.4 The final development or sale of the building(s) and land known as DuBois Country Club;
- 7.01.5 Upon a Member becoming bankrupt or executing an assignment for the benefit of creditors or the death, retirement, resignation, expulsion, or dissolution of a Member or the occurrence of any other event which terminates the continued membership of a member in the Company, unless the business of the Company is continued by the consent of a majority of the remaining Members given within ninety (90) days following such event.

7.01.6 Upon the inability of the Company, or Newco, to operate with net operating losses less than those established in Paragraph 11.1 of the Asset Purchase Agreement [Exhibit "C"].

7.02 Procedure for Winding Up. If the Company is dissolved, the remaining Members shall wind up its affairs. On winding up of the Company, the assets of the Company shall be distributed, first, to creditors of the Company, including Members who are creditors, in satisfaction of the liabilities of the Company and, then, to the Members in proportion of their respective percentages.

7.03 Certificate of Dissolution. Upon winding up of the Company, the members shall file an appropriate Certificate of Dissolution with the Secretary of State of the Commonwealth of Pennsylvania as required by law

## ARTICLE VIII MISCELLANEOUS

8.01 Bank Account. All funds of the Company shall be deposited in its name in such checking account or other accounts in such banking institutions as the Members shall designate. All withdrawals therefrom shall be made upon checks signed by Stephen P. Poorman except checks for major capital purchases or non-recurring expenses in excess of \$5,000.00, which checks shall require the signature or written approval of two Members. Stephen Poorman shall be authorized to sign checks in excess of \$5,000.00 during the development and construction phase of the Facility, provided however, that they relate directly to a contract for work that is approved by the President or Secretary-Treasurer. Initially, and for such time as may be determined by the Members, Company monies shall be deposited in a Merrill Lynch WCMA account, or in an interest bearing account with a local financial institution. Members' contributions, loan proceeds and income shall be deposited in the aforesaid account and all expenses shall be paid therefrom.

8.02 Books and Records. The Company books shall be maintained at the principal office of the Company and each Member shall at all times have access thereto. The books and records shall be maintained in accordance with sound accounting practices.

8.03 Annual Accounting Period. The calendar year of the Company shall end on the 31<sup>st</sup> day of October of each year. A complete accounting of the Company's affairs as of the close of business on the last day of October of each year shall be rendered to each Member within ninety (90) days after the close of each year.

8.04 Tax Matters Partner. SPC shall be the Tax Matters Partner of the Company for the purposes of IRC Section 6231.

8.05 Title to Company Property. All real and personal property acquired by the Company shall be acquired and held by the Company in its name unless otherwise agreed by the Members.

8.06 Company Assets. The Real Estate and Assets purchased by the Company are attached hereto, marked Exhibit "B," and made a part hereof.

8.07 Tax Status. The Company will file form(s) 8832 and 2553 to elect a Pennsylvania Sub Chapter S Corporation status for Federal and State income tax purposes within sixty (60) days of the date of this Agreement.

8.08 Disclosure. If any member has a financial interest with an entity that the company will deal with or if a member expects to receive financial remuneration for a transaction, said information shall be disclosed to the other members.

## ARTICLE IX GENERAL PROVISIONS

9.01 Legal Counsel. Roberts, Miceli & Boileau, 146 East Water Street, Lock Haven, Pennsylvania is hereby appointed legal counsel for the Company, to serve for such time as shall be determined by the Company in its sole discretion.

9.02 Assurances. Each Member shall execute all certificates and other documents and shall do all filing, recording, publishing, and other acts as the Members deem appropriate to comply with any laws, rules and regulations relating to the acquisition, operation, or holding of the property of the Company or for the operation of Newco, should it be formed.

9.03 Notifications. Any and all notices between the Members provided for or permitted under this Agreement or by law shall be in writing and shall be deemed duly served when deposited in the United States Mail, certified, postage prepaid, addressed to such Member at the address provided in Section 2.06 of the Agreement and addressed to the Company at the principal place of business of the Company or to such other places as may from time to time be specified in a notice given pursuant to this paragraph as the address for service of notice on such Member or the Company.

9.04 Complete Agreement. This Agreement constitutes the complete and exclusive statement of the agreement among the Members. It supersedes all prior written and oral statements, including any prior representation, statement, condition, or warranty. Except as expressly provided otherwise herein, this Agreement may not be amended without the written consent of all of the Members.

9.05 Applicable Law. All questions concerning the construction, validity, and interpretation of this Agreement and the performance of the obligations imposed by this Agreement shall be governed by the internal law, not the law of conflicts, of the Commonwealth of Pennsylvania.

9.06 Section Titles. The headings herein are inserted only as a matter of convenience only and do not define, limit, or describe the scope of this Agreement or the intent of the provisions hereof.

9.07 Binding Provisions. This Agreement is binding upon, and inures to the benefit of, the parties hereto and their respective heirs, executors, administrators, personal and legal representatives, successors, and permitted assigns.

9.08 Separability of Provisions. Each provision of this Agreement shall be considered separable; and if, for any reason, any provision or provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid.

9.09 Consents. Any and all consents and agreements provided for or permitted by this Agreement shall be in writing and a signed copy thereof shall be filed and kept with the books of the Company.

9.10 Counterparts. This Agreement may be exercised in two or more counterparts, each of which shall be deemed an original but all of which taken together shall constitute one and the same agreement.

9.11 Facsimile. Each party may provide a facsimile of the signed signature to the Company Managing Agent, and the party who transmits the facsimile of its signed signature page shall be bound by its faxed signature the same as if the transmitting party has supplied in ink an original signature.

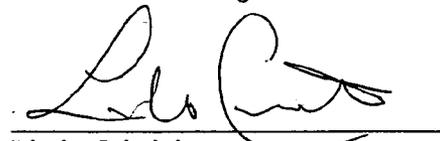
9.12 Amendments. This Agreement may be amended, but only by a majority vote of all Members, based on each Member's percentage interest.

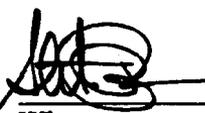
IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

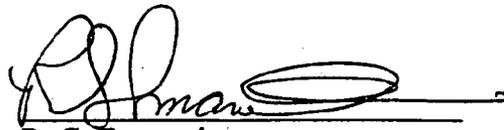
  
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L. Rocky Cristini

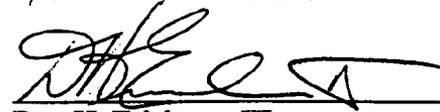
  
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Lindo Cristini

  
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R. G. Emanuelson  
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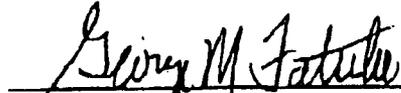
  
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Don H. Erickson, III  
159-42-8855

  
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Don H. Erickson, Jr.

  
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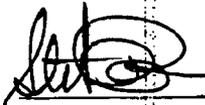
  
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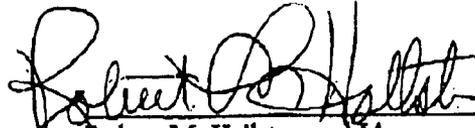
  
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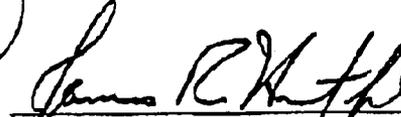
  
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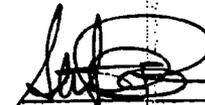
  
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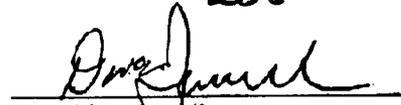
  
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Robert M. Hallstrom, AIA 179-42-8737

  
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James R. Hartzfeld 205-34-6446

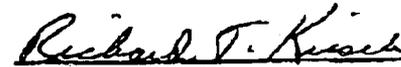
  
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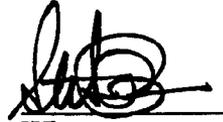
  
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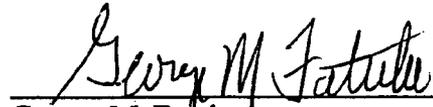
  
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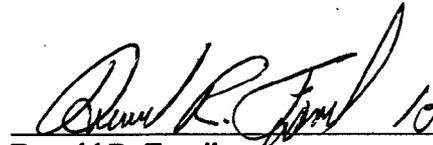
  
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Don H. Erickson, Jr.

  
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George M. Fatula

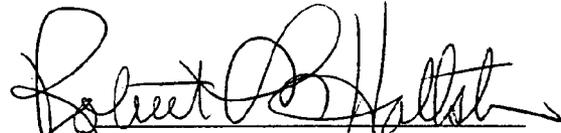
  
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Donald R. Fezell

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George L. Gent

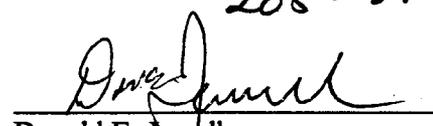
  
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Robert M. Hallstrom, AIA

  
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James R. Hartzfeld  
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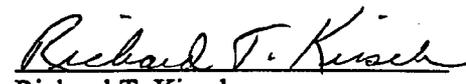
  
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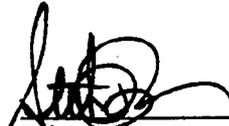
  
Donald E. Jewell

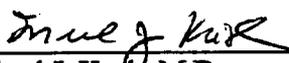
  
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J. A. Kirk 208-30-1870

  
Witness

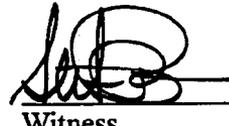
  
Richard T. Kirsch  
194-36-7287

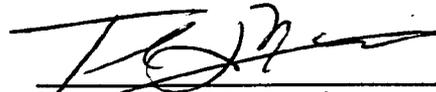
  
Witness

354 78 5265  
  
Michael J. Kushi, M.D.

  
Witness

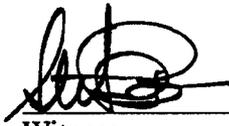
  
373-56-15010  
  
Scott J. Moore 160-48-3892

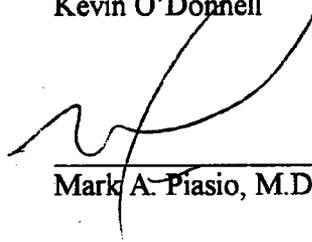
  
Witness

  
Theron G. Noble, Esquire 189-44-0449

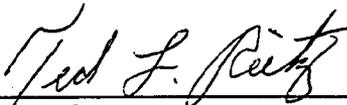
  
Witness

167-42-0830 159-42-8925  
  
Kevin O'Donnell

  
Witness

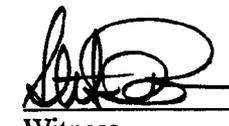
  
126-42-7844  
Mark A. Piasio, M.D.

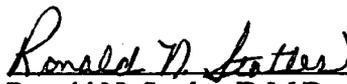
  
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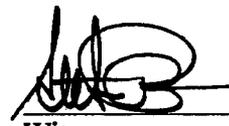
  
Ted L. Reitz 197-28-7550

  
Witness

  
Charles Reynolds, CLU 211 364267

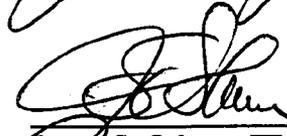
  
Witness

  
171-46-9644  
Ronald N. Statler, D.M.D.

  
Witness

  
67420334  
P. Joseph Valigororsky, II, M.D.

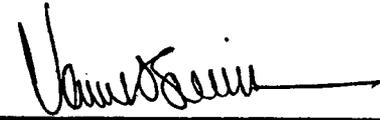
  
Witness

  
James S. Osburn, III

  
\_\_\_\_\_  
Witness

KENNETH C. LEZLER  
  
\_\_\_\_\_  
(Alternate) 171-46-9278

  
\_\_\_\_\_

  
\_\_\_\_\_  
VERNON L. SHAFFER, JR  
556-80-9203

  
\_\_\_\_\_

  
\_\_\_\_\_  
211-38-1473



**F**

**A**

**X**

- Stephen Poorman & Company, Inc.
- South Carolina Surgery Group, LLC
- Juniata Lake Properties, LLC
- Campus Development Group
- Poorman Realty Corporation
- OTA Investment Group, LLC
- Blair Surgery Group, LLC
- DuBols Country Club, Ltd.
- Landerdale Investments
- Realtylease Properties
- Texas Properties, Inc.
- California Properties
- Rapmitco Properties
- Freyman Properties
- RamMan Properties
- Florida Properties
- McDonalds LM-7

REPLY TO: The Heffner Building  
 143-147 East Main Street  
 Lock Haven, Pennsylvania 17745-1322  
 Telephone: 570.748.7000  
 Toll Free: 800.532.1900  
 Telecopy: 570.748.7700

TO: Attorney Matthews / Attorney Nobl

FAX NO: 724 836 0532

FROM: Steve Poorman

DATE: 9/8, 2003

# OF PAGES  
 W/ COVER: 3

MESSAGE: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**IF FAX IS ILLEGIBLE OR INCOMPLETE, PLEASE CALL DORIS AT 570-748-7000**

The content of this facsimile message is privileged and confidential information intended only for the use of the individual or entity named above. If the reader of this is not the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is wrongful and may subject you to civil liability. If you have received this communication in error, please immediately notify us by telephone, and return this original message to us at the above address via the U.S. Postal Service. Thank you.

**EXHIBIT**  
 "B"  
 \_\_\_\_\_

---

**September 8, 2003**

**Gentlemen:**

**Attached find the revised "Members Contributions" Report which has been posted current. We wanted to re-verify this information but could not complete the work in time for the overnight shipment.**

**Please call if you have questions.**

**Thank you.**

**Accounting Department  
Stephen Poorman & Company, Inc.**

# JUNIATA LAKE PROPERTIES, LLC.

## MEMBERS CONTRIBUTIONS

x = payment made

9/15/02    10/15/02    3/31/03    12/31/03    3/31/04    **TOTAL PAID**  
**\$ 1,000.00**   **\$ 10,000.00**   **\$ 7,000.00**   **\$ 6,000.00**   **\$ 6,000.00**   **TO DATE**  
+ 786.19 In    **9/8/03**

- Lionel Alexander
- Investors John A. Bloom
- 1 L. Rooky Cristini
- 2 Lindo Cristini
- 3 R. G. Emanuelson
- 4 Don H. Erickson, III
- 5 Don H. Erickson, Jr.
- 6 George M. Fanula
- 7 Donald R. Fezell
- 8 George L. Gent
- 9 Robert M. Hallstrom, AIA
- 10 James R. Hartefeld
- 11 Donald E. Irwell
- 12 Joseph A. Kirk
- 13 Richard T. Kirach
- 14 Michael J. Kush, M.D.
- 15 Kenneth C. Lezzer
- 16 Scott J. Moore
- 17 Theron G. Noble, Esquire
- 18 Kevin & JoAnne R. O'Donnell
- 19 James Osburn
- 20 Mark A. Piasio, M.D.
- 21 Stephen P. Poorman
- 22 Ted L. Reitz
- 23 Charles Reynolds, CLU
- 24 Vernon L. Shaffer, Jr.
- 25 Ronald N. Statler, DMD
- 26 P. Joseph Valigorsky, II

	DROPPED OUT	DROPPED OUT					
			miscellaneous income.....				1,000
				1,000			
	x	x	x				19,000
	x	x	x				18,000
	x	x	x				18,000
	x	x	x	x	x		30,000
	x	x	x	x	x		30,000
	x	x	x	x	x		30,000
	x	x	x				18,000
	x	x	x				18,000
	x	x	x	x	x		30,000
	x	x	x	x	x		30,000
	x	x	x				18,000
	x	x	x				18,000
	x	x	x	x	x		30,000
	x	x	x	x	x		30,000
	x	x	x				18,000
	x	x	x				18,000
							590,000
							1,000
							589,000
							<b>\$ 590,000</b>

as of 9/08/03 collected.

\* In-Kind

**RESOLUTION OF THE MEMBERS  
OF JUNIATA LAKE PROPERTIES, LLC**

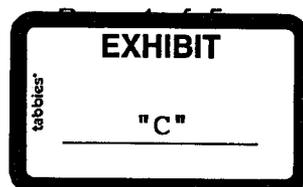
We, the undersigned Members of Juniata Lake Properties, LLC (the "Company") do hereby certify that pursuant to a special meeting of the Members of the Company held on October 9th, 2003, the Members of the Company adopted the following Resolution:

**RESOLVED**, that Scott J. Moore, President of the Company, is authorized, empowered and directed to execute and deliver in the name of and on behalf of the Company, any and all certificates, authorizations, instruments or other documents of any kind whatsoever as may be necessary to effect the transfer and/or return to the Company and/or Dubois Country Club, Ltd. of any funds, monies or assets owned by the Company and/or Dubois Country Club, Ltd. which are currently in the possession and control of Stephen Poorman & Company, Inc. and/or held in accounts under the possession and control of Stephen Poorman & Company, Inc.; and, Stephen Poorman & Company, Inc. is directed to immediately transfer and/or return to the Company any funds, monies or assets owned by the Company or Dubois Country Club, Ltd. which are maintained and/or held in accounts under the possession of Stephen Poorman & Company, Inc.

**IT IS HEREBY FURTHER RESOLVED AND AGREED** by and between the Members that the Operating Agreement of Juniata Lake Properties, LLC, dated October 16, 2002, shall be amended, and that a written Addendum to the said Operating Agreement shall be executed by the Members, stating as follows:

1. Section 5.01 of the Operating Agreement shall be deleted in its entirety and the following language shall be substituted in its place:

Section 5.01. Management. The Company shall be managed by a 5-member Management Committee. The initial Management Committee shall be comprised of Scott J. Moore, Richard T. Kirsch, Donald R. Fezell, Joseph A. Kirk and Ronald N. Statler. The Management Committee members will be elected each year at the annual meeting described hereinafter. The Management Agreement with SPC for oversight and development efforts to its Management Committee and Newco, is hereby terminated.



2. Section 8.01 of the Operating Agreement is hereby deleted in its entirety and the following language shall be substituted in its place:

"8.01. Bank Account. All funds of the Company shall be deposited in its name in such checking account or other accounts in such financial institutions as the Management Committee shall designate. All withdrawals therefrom shall be made upon checks signed by a member of the Management Committee, which Member shall be designated by the Management Committee, from time to time. Any funds, monies or assets of the Company currently held or maintained in any account owned or controlled by Stephen Poorman & Company, Inc. shall be returned and/or transferred to the Company by Stephen Poorman & Company, Inc. for deposit in such checking account or other accounts in such banking institutions as the Management Committee shall designate, and Stephen Poorman shall no longer be authorized to sign any checks on behalf of the Company. Members' contributions, loan proceeds and income shall be deposited in accounts as may be designated by the Management Committee and all expenses of the Company shall be paid therefrom.

3. Section 9.01 of the Operating Agreement is hereby deleted in its entirety and replaced with the following language:

"9.01. Legal Counsel. Meyer ♦ Darragh is hereby appointed Legal Counsel for the Company, to serve for such time as shall be determined by the Company in its sole discretion."

**IN WITNESS WHEREOF**, the undersigned Members of Juniata Lake Properties, LLC have affixed their signatures this 9th day of October, 2003.

**JUNIATA LAKE PROPERTIES, LLC**

WITNESS:

Richard P. Kusin

MEMBERS:

L. Rocky Cristini  
L. Rocky Cristini

Richard T. Kirsch

LINDO CRISTINI

*Proxy*  
Smood

Lindo Cristini

"

*Proxy*  
Ronnie G. Emanuelson by Richard T. Kirsch  
R. G. Emanuelson

[Signature]

Don H. Erickson, III

:

[Signature]

Don H. Erickson, Jr.

+

GEORGE FATULA  
[Signature]

George M. Fatula

v

[Signature]

Donald R. Fezell

r

[Signature]

George L. Gent

"

By Proxy [Signature]

Robert M. Hallstrom, AIA

v

[Signature]

James R. Hartzfeld

2

[Signature]

Donald E. Jewell

"

[Signature]

J. A. Kirk

"  
\_\_\_\_\_

*Richard T. Kirsch*  
Richard T. Kirsch

"  
\_\_\_\_\_

*Michael J. Kush*  
Michael J. Kush, M.D.

"  
\_\_\_\_\_

*Scott J. Moore*  
Scott J. Moore

"  
\_\_\_\_\_

*Theron G. Noble*  
Theron G. Noble, Esquire

"  
\_\_\_\_\_

*Kevin O'Donnell*  
Kevin O'Donnell

"  
\_\_\_\_\_

*Mark A. Piasio*  
*by John A. Cherry*  
Mark A. Piasio, M.D.

"  
\_\_\_\_\_

*Ted L. Reitz*  
Ted L. Reitz

"  
\_\_\_\_\_

*Charles Reynolds*  
Charles Reynolds, CLU

"  
\_\_\_\_\_

*Ronald N. Statler DMD*  
Ronald N. Statler, D.M.D.

"  
\_\_\_\_\_

*P. Joseph Valigerorsky, II*  
P. Joseph Valigerorsky, II, M.D.

"  
\_\_\_\_\_

*James S. Osburn, III*  
James S. Osburn, III

\_\_\_\_\_  
"

  
\_\_\_\_\_  
Kenneth C. Lezzer

\_\_\_\_\_  
"

*Vernon L. Shaffer by Ted J. [Signature]*  
\_\_\_\_\_  
Vernon L. Shaffer, Jr.

\_\_\_\_\_

\_\_\_\_\_  
Stephen Poorman

By: *Richard T. Kusch*  
\_\_\_\_\_  
Secretary

{Corporate Seal}



**MEYER ♦ DARRAG**  
**BUCKLER BEBENEK & ECK, P.L.L.C.**

Attorneys-at-Law

114 S. Main Street ♦ Greensburg, PA 15601-3102 ♦ (724) 836-4840 ♦ Fax: (724) 836-0532

Bernard P. Matthews  
Attorney-at-Law

Direct Dial No.: (724) 853-2298  
E-Mail Address: [Bmatthews@mbbbe.com](mailto:Bmatthews@mbbbe.com)

REFER TO: DUBOIS-106444

October 10, 2003

**Transmitted Via Facsimile - 570-748-7700**

Stephen Poorman & Company  
Attention: Stephen Poorman  
143-147 East Main Street  
Lock Haven, PA 17745-1322

Re: Dubois Country Club, Ltd. and  
Juniata Lake Properties, LLC

Dear Mr. Poorman:

Attached please find two resolutions unanimously adopted by the members of Juniata Lake Properties, LLC at a special meeting on October 9, 2003, which are self-explanatory. Your vote was the only vote not recorded on these resolutions, since you chose not to attend the meeting.

By virtue of these resolutions, your company no longer has any authority regarding the management of Dubois Country Club, Ltd. or Juniata Lake Properties, LLC. Additionally, Stephen Poorman & Company, Inc. is directed to immediately transfer and/or return to Scott Moore any funds, monies or assets owned by Juniata Lake Properties, LLC or Dubois Country Club, Ltd. which are maintained and/or held in accounts under the possession of Stephen Poorman & Company, Inc. Please contact Mr. Moore and the financial institutions where any funds or assets are held to arrange for the transfer of these funds and assets immediately.

Please also return to Mr. Moore all checks, keys and other property of Dubois Country Club, Ltd. or Juniata Lake Properties, LLC. in your possession or control. Any and all accounting related documents, such as P&L statements, check registers, financial statements, payroll records, etc. should also be sent immediately to Mr. Moore.



Stephen Poorman & Company  
October 10, 2003  
Page 2

As per the resolutions, upon receipt and review of this information, and after the immediate transfer of funds and assets of Dubois Country Club, Ltd. or Juniata Lake Properties, LLC, I will contact you to further discuss resolution of any outstanding matters.

Your immediate response is requested.

Very truly yours,

BERNARD P. MATTHEWS, JR.

JOHN M. NOBLE

BPMjr:k kb

cc: Dubois Country Club, Ltd  
Juniata Lake Properties, LLC  
Marshall & Associates  
Attn: Mary Williamson (*via facsimile - 814-234-9008*)

bcc: Vern Shaffer (*via facsimile - 814-371-3003*)

**STEPHEN POORMAN & COMPANY, INC.**  
CERTIFIED MANAGEMENT CONSULTANTS

1010 South Ocean Blvd., Suite 604  
Pompano Beach, Florida 33062  
Telephone: 954.946.0403  
Facsimile: 954.946.0430

REPLY TO:  
143-147 East Main Street  
Lock Haven, Pennsylvania 17745-1322  
Telephone: 570.748.7000  
Facsimile: 570.748.7700

www.lockhavenrentals.com  
sporman@cub.kcnet.org

October 13, 2003

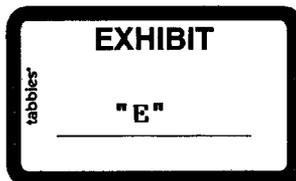
Mr. Scott Moore, President  
**DuBOIS COUNTRY CLUB, LTD.**  
**JUNIATA LAKE PROPERTIES, LLC**  
420 North Fourth Street  
DuBois, Pennsylvania 15801

**RE: October 9, 2003 Resolution: Modification to Operating Agreement**  
**October 9, 2003 Resolution: Termination of Management Agreement**  
**Juniata Lake Properties, LLC**

Dear Mr. Moore:

I am in receipt of the above-referenced Resolution(s) and respond as follows:

1. We will immediately cease any representation of both entities;
2. We will immediately transfer all monies to you except monies due and owing to our company;
3. We have no assets in our possession;
4. We have no keys in our possession;
5. We have original invoices from January 1, 2003 through July 31, 2003 and Delores Wright will retrieve same from our Lock Haven office and deliver them to DuBois;
6. The "accounting related documents" described in your lawyer's cover letter dated October 10, 2003 were sent to you on September 8, 2003 and October 10, 2003;
7. We do not acquiesce to the 14 allegations made in the Resolution to terminate the Management Agreement and we will address those issues at the appropriate time.



After consultation with our Attorney, we are withholding (i) \$137, 812.39 for the amount due under the Management Agreement (ii) \$30,278.24 for my 3.85% equity ownership in the Limited Liability Company and (iii) \$32,000.00 for day-to-day management services from October 1, 2002 through and including September 30, 2003.

Juniata Lake Properties, LLC currently has \$200,894.81 (including the Capital Crossing Bank Bond which matures October 10, 2003) in our escrow account and \$28,666.21 in the Sovereign operating account; DuBois Country Club, LTD currently has \$4,379.89 in the CSB Bank checking account. Thus, we will be returning \$33,850.28. You may send an accountant to our office to review the accounts or any other documents to verify the above sums.

In a spirit of cooperation and without prejudice, we will also return \$32,000.00 for the day-to-day management fees *provided however* that we are able to negotiate and sign a Mutual Release within the next thirty (30) days. When we agreed to provide this "free" service, it was with the understanding that we would be working under a long-term arrangement. Our contract was back-loaded and we forfeited and reduced initial fees for your cash flow purposes. We clearly would not have agreed to that arrangement had we known you intended to terminate our irrevocable contract.

Should your lawyer wish to discuss this matter further, he may contact me directly or he may contact Paul Ryan, Esquire at 570-748-7771.

Sincerely,



S. Poorman

COPY: Board of Directors  
Paul Ryan, Esquire  
John Noble, Esquire

Overnight Mail

ORIGINAL DOCUMENT PRINTED ON EMERALD REACTIVE PAPER WITH MICROPRINTED BORDER. SEE REVERSE SIDE FOR COMPLETE SECURITY FEATURES.

60-7269/2313

**JUNIATA LAKE PROPERTIES, LLC**  
143-147 E. Main St., Suite 2C  
Lock Haven, PA 17745

0441

EXPLANATION	AMOUNT
SEE IMPORTANT ENDORSEMENT ON REVERSE SIDE OF THIS CHECK	

PAY AMOUNT OF		DOLLARS
DATE	10/10/03	
TO THE ORDER OF	Juniata Lake Properties, LLC	
	DESCRIPTION	CHECK NUMBER
		0441

CHECK AMOUNT \$ 8866.21

Juniata Lake Properties, LLC

*Stephen P. Poorman*  
AUTHORIZED SIGNATURE

Sovereign Bank  
Lock Haven, PA 17745

tabbies' EXHIBIT

⑆00044⑆ ⑆23237269⑆ 368⑆10863⑆

STEPHEN P POORMAN  
ESCROW ACCOUNT  
143-147 E MAIN ST  
LOCK HAVEN, PA 17745-0027

**CMA** Cash Management Account 1503

Oct 10, 2003

25-80/480

Juniata Lake Properties, LLC

804.18

PAY TO THE ORDER OF

THE SAVINGS BANK

**Merrill Lynch**

BANK ONE BANK ONE COLUMBIA, PA CAPITAL ONE 4371

SEE IMPORTANT ENDORSEMENT ON REVERSE SIDE OF THIS CHECK

*Stephen P. Poorman*

⑆04400080⑆ ⑆040103081538⑆ 1503

Endorsement of this check represents payment in full accord and satisfaction of any or all funds held in the Stephen Poorman Escrow Account for Juniata Lake Properties, LLC or DuBois Country Club, LTD, less fees due Stephen Poorman & Co., Inc., from the beginning of time to the date hereof.

Endorsement of this check represents the return of all funds in the Sovereign Bank Operating Account No. 3681108633, as of October 10, 2003, for Juniata Lake Properties, LLC or DuBois Country Club, LTD from the beginning of time to the date hereof.

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA  
CIVIL ACTION

JUNIATA LAKE PROPERTIES, LLC and :  
DUBOIS COUNTRY CLUB, LTD :  
Plaintiffs :

-vs-

No. 03 – 1572 – CD

STEPHEN POORMAN & COMPANY :  
INC. and STEPHEN POORMAN :  
Defendants :

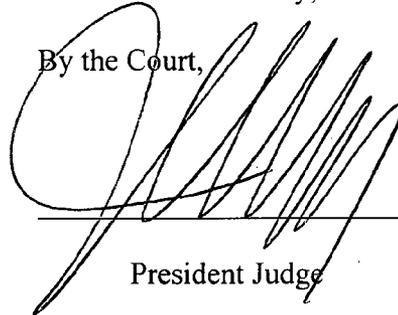
**ORDER**

NOW, this 20<sup>th</sup> day of October, 2003, upon consideration of Plaintiff's Motion for Preliminary Injunctive Relief, it is hereby ORDERED that all funds, monies or assets of Juniata Lake Properties, LLC and DuBois Country Club, LTD held or maintained in accounts controlled or possessed by Stephen Poorman & Company, Inc. and Stephen Poorman, including but not limited to at least the sum of \$229,561.02 held or maintained in Sovereign Bank Account #3681108633 and Stephen P. Poorman Escrow Account with Merrill Lynch, Cash Management Account #044000804 040103081538, are hereby FROZEN, and the Defendants, Stephen Poorman & Company, Inc. and Stephen Poorman, and all persons and banking institutions possessing said funds, are ORDERED AND DIRECTED not to disburse or expend Plaintiff's funds or monies in said accounts until further Order of this Court. An evidentiary hearing is scheduled for Wednesday, October 22, 2003, at 9:00 a.m. in the Clearfield County Courthouse before the Honorable John K. Reilly, Jr.

**FILED**

OCT 20 2003

By the Court,



President Judge

William A. Shaw  
Prothonotary

FILED

O 3:49 PM

OCT 20 2003

William A. Shaw  
Prothonotary



1cc to Atty Matthews  
1cc to Deborah CC Granite Park Pros  
1cc to Stephen Poorman  
143-147 & maint  
Lock Haven PA 17745

**FILED**

**OCT 22 2003**

William A. Shaw  
Prothonotary/Clerk of Courts

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA  
CIVIL ACTION

JUNIATA LAKE PROPERTIES, LLC and  
DUBOIS COUNTRY CLUB, LTD.  
Plaintiffs

VS

No. 03-1572-CD

STEPHEN POORMAN & COMPANY, INC.  
And STEPHEN POORMAN  
Defendants

**ANSWER TO MOTION FOR PRELIMINARY INJUNCTIVE RELIEF**

1. Admitted.
2. Admitted in part. Denied in part. It is admitted the purpose of a Preliminary Injunction is to preserve the status quo as it exists or previously existed before the acts complained of, thereby preventing irreparable injury or gross injustice. It is specifically denied the status quo has been disrupted in this case. It is denied that preliminary injunctive relief is the appropriate remedy given the facts surrounding this matter. By way of further answer, a Preliminary Injunction may be granted only upon a showing of a reasonable probability of eventual success on merits and irreparable injury if equitable relief is denied. In this case, Plaintiff had an operating account in which it deposits all of its operating income; it operated that account from the beginning of its incorporation and operates that account today. The account that Plaintiff is requesting be frozen, is a different account which consisted of capital contributions. Defendant was never in control of Plaintiff's cash receipts, even

**FILED**

OCT 22 2003  
0/8:30/way  
William A. Shaw  
Prothonotary/Clerk of Courts  
1 CENT TO ART7

though Plaintiff attempts to confuse the issue at Paragraph(s) No. 17 and 18 of its Complaint by suggesting otherwise.

It is denied that no greater injury will occur if this Injunctive Relief is refused because money withheld by Defendant is the property of Defendant and not the property of Plaintiff. The accounts that were frozen by order of this court contain money that belongs to other clients of Defendant. Moreover, Plaintiff executed a Management Agreement dated October 22, 2002 which states, in pertinent part, that ...“management fees due SPC (Defendant) in accordance with Paragraph No. 5.1 hereof, may be withdrawn by SPC from any JLP (Plaintiff) account, may be withheld from the payment of net revenues due to the Members or may be paid by DCC (Plaintiff) from its operating account, depending on available cash flow.”

It is denied there is a reason to restore the parties to the status quo as it existed because there has been no change in the status quo.

It is specifically denied that Plaintiffs have shown the alleged wrongdoing exists and in fact, Defendant will present documentation that clearly refutes any alleged wrongdoing and that gives Defendant the right to retain monies due and owing to its company for services.

It is specifically denied Plaintiff's right to injunctive relief is clear. To the contrary, Defendant will, through testimony and documents, show the Complaint allegations are incomplete, unfounded, confusing and misrepresented. By way of further answer, an additional unmet burden placed on the Plaintiff is to show an urgent necessity to avoid injury which cannot be compensated for by damages.

3. Denied. There is no immediate need to resolve a complicated, twelve-month business affiliation. Given this harsh and extraordinary remedy, Plaintiff must fully and completely establish each of their allegations and the criteria for Preliminary Objections has not been established. By way of further answer, Plaintiff can be compensated by damages and it is inappropriate to apply an equitable remedy.

By way of further answer, it was the Plaintiffs who created this dispute and predicament when it took action by passing a Resolution of the Members of Juniata Lake Properties, LLC on October 9, 2003 to unilaterally terminate a five-year, irrevocable Management Agreement dated October 22, 2002. Thus, the burden should be on the Plaintiffs to prove their claim; they have a clear remedy at law and if their claim is viable, they will receive monetary damages.

4. Denied. Plaintiffs state the funds withheld were owned by the Plaintiffs when in fact, Plaintiff owes Defendant a substantial sum of money and gave it the right to withhold monies due when it executed the aforementioned Management Agreement. Therefore, it is denied that Defendant withheld funds that are the property of Plaintiff and strict proof thereof will be demanded at trial. By way of further answer, if this matter is litigated, the outcome could be that money withheld by Defendant is inadequate based on the aforementioned Management Agreement as the monies withheld were based on a settlement of the claim and not the full amount to which Defendant is entitled by contract.

5. Denied. It is specifically denied the funds are owned by the Plaintiff. To the contrary, it is averred that the money is owned by Defendant, and Defendant did not unilaterally withhold funds, but instead, had Plaintiffs' explicit permission to be paid by contract. From the inception of the parties business affiliation, it was routine and customary

for Defendant to be paid in the same manner. By way of further answer, Defendant will introduce testimony that Plaintiff's agents advised Defendant the determination of money due Defendant and calculation of same was fair and reasonable.

6. Denied. The Plaintiff has not demonstrated there has been any alleged wrongdoing, nor has it met the test of requisites of a Preliminary Injunction which are cumulative. By way of further answer, if one element is lacking, relief may not be granted, and in this case, Plaintiff failed to meet its test. It is denied the withheld funds are owned by the Plaintiff and it is denied there is no reason for the Defendants not to return the funds because Plaintiff has no rights to same.

By way of further answer, Plaintiff suggests Defendant should make any claim for damages as a result of the unilateral termination of the Management Agreement and that Defendant can pursue those through litigation. The converse is true. If Plaintiffs believe Defendant withheld too much money, their remedy should be at law and they should litigate accordingly. Plaintiffs formed a Board appointed Committee to estimate how much money is due Defendant and several conferences were held to amicably resolve the dispute. While those settlement attempts failed, Plaintiff clearly acknowledged money is due Defendant by its own action to form the committee, thus bolstering Defendant's position that the money withheld is not the property of Plaintiff. By way of further answer, Defendant avers that he was assured that he would be ultimately paid. It is further denied Defendant has no legal authority or rights to unilaterally determine that their claims have merit and to withhold Plaintiff's funds to satisfy those claims before any action has been filed or litigated. While

Plaintiff failed to attach any of these exhibits to its pleadings, Defendant has a properly executed Management Agreement, Assignment Agreement and Guaranty Agreement. And, while Plaintiff was reluctant to execute these documents upon the advice of its own counsel, it ultimately decided to do so knowing full well that Defendant might have extreme methods of being paid and Defendant advised Plaintiff that it would not accept the case without those rights and guarantees. By way of further answer, these documents support the fact that Plaintiff did not have the legal right to unilaterally terminate the Management Agreement, they give Defendant specific authority to withhold payment for management fees from either the Juniata Lake Properties account or DuBois Country Club, Ltd. account, they ratify the fact that the Management Agreement cannot be terminated prior to October 31, 2007, they assure Defendant that Plaintiff will take no action to terminate the Contract and they specifically guarantee the payment of any or all monies due the Defendant. The Management Agreement also requires that any disputes relating to the relationship between Plaintiff and Defendant be heard in the Clinton County Court of Common Pleas for the Commonwealth of Pennsylvania.

7. Denied. It is specifically denied the funds and monies withheld by Defendant are owned by the Plaintiff for the reasons hereinbefore set forth.

WHEREFORE, Defendant respectfully requests that this Honorable Court (i) dismiss Plaintiff's Complaint in Equity for Injunctive Relief for improper venue (ii) deny Plaintiff's Motion for Preliminary Injunctive Relief (iii) deny Plaintiff's request for a special, preliminary and permanent injunction (iv) deny Plaintiff's request to transfer withheld money and (v) vacate the Order to freeze Plaintiff's escrow account.

WHEREFORE, in the event Defendant's requests, or any part of them, are not granted for any reason or if this matter is continued for any reason, Defendant respectfully requests this Honorable Court direct Plaintiff to file a bond with appropriate security.

Respectfully submitted by:



---

Stephen P. Poorman  
In Propria Persona  
143-147 East Main Street  
Lock Haven, Pennsylvania 17745  
Telephone: 570-748-7000

**VERIFIED STATEMENT**

I, Stephen P. Poorman, hereby state the answers contained in the within Answer to Motion for Preliminary Injunctive Relief are true and correct to the best of my knowledge, information and belief.

I understand that false statements made herein are subject to penalties of 18PA C.S. Section 4904 relating to unsworn falsification to authorities.

10/22/03  
Date

  
\_\_\_\_\_  
Stephen P. Poorman

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA  
CIVIL ACTION

JUNIATA LAKE PROPERTIES, LLC and  
DUBOIS COUNTRY CLUB, LTD.  
Plaintiffs

VS

No. 03-1572-CD

STEPHEN POORMAN & COMPANY, INC.  
And STEPHEN POORMAN  
Defendants

**CERTIFICATE OF SERVICE**

I, STEPHEN POORMAN, hereby certify that a true and correct copy of the foregoing ANSWER TO MOTION FOR PRELIMINARY INJUNCTIVE RELIEF was sent via United States mail, postage prepaid, on October 22, 2003, addressed to the following:

Mr. Scott J. Moore  
420 North Fourth Street  
DuBois, Pennsylvania 15801

Bernard P. Matthews, Esquire  
Meyer, Darragh Buckler Bebenek & Eck, P.L.L.C.  
114 South Main Street  
Greensburg, Pennsylvania 15601-3102

By: 

Stephen P. Poorman, Pro Se  
143-147 East Main Street  
Lock Haven, Pennsylvania 17745

JUNIATA LAKE PROPERTIES, LLC, : IN THE COURT OF COMMON PLEAS OF  
and DUBOIS COUNTRY CLUB, LTD., : CLEARFIELD COUNTY, PENNSYLVANIA  
: CIVIL ACTION - LAW

Plaintiffs :

vs. :

No. 03 - 1572 - CD

STEPHEN POORMAN & COMPANY,  
INC. and STEPHEN POORMAN,

Defendants :

**PRAECIPE TO ENTER APPEARANCE**

:  
: Filed on behalf of: Defendants,  
: Stephen Poorman & Company, Inc.  
: and Stephen Poorman

:  
: COUNSEL OF RECORD FOR PARTY:

:  
: Scott C. Etter, Esquire  
: I.D. #72789

:  
: MILLER, KISTLER, CAMPBELL,  
: MILLER, WILLIAMS & BENSON, INC.  
: 720 South Atherton Street  
: State College, PA 16801  
: (814) 234-1500

**FILED**

**OCT 28 2003**

William A. Shaw  
Prothonotary/Clerk of Courts

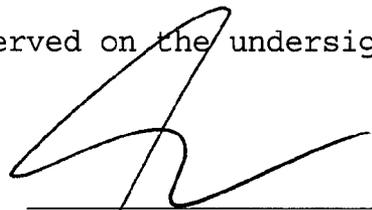
IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA  
CIVIL ACTION - LAW

JUNIATA LAKE PROPERTIES, LLC :  
and DUBOIS COUNTRY CLUB, LTD., :  
:  
Plaintiffs, :  
:  
vs. : No. 03-1572-CD  
:  
STEPHEN POORMAN & COMPANY, :  
INC. and STEPHEN POORMAN, :  
:  
Defendants, :

**PRAECIPE TO ENTER APPEARANCE**

TO THE PROTHONOTARY:

Please enter my appearance on behalf of Defendants, Stephen Poorman & Company, Inc. and Stephen Poorman, in the above captioned matter. All papers may be served on the undersigned for purposes of this action.



\_\_\_\_\_  
Scott C. Etter, Esquire  
I.D. #72789

MILLER, KISTLER, CAMPBELL,  
MILLER, WILLIAMS & BENSON, INC.  
720 South Atherton Street  
State College, PA 16801-4628  
(814) 234-1500

Attorneys for Defendants

Dated: 10/27/03

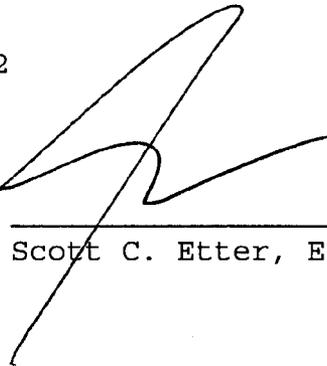
IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA  
CIVIL ACTION - LAW

JUNIATA LAKE PROPERTIES, LLC :  
and DUBOIS COUNTRY CLUB, LTD., :  
Plaintiff, :  
vs. : No. 03-1572-CD  
STEPHEN POORMAN & COMPANY, :  
INC. and STEPHEN POORMAN, :  
Defendants, :

**CERTIFICATE OF SERVICE**

I, Scott C. Etter, Esquire, of Miller, Kistler, Campbell,  
Miller, Williams & Benson, Inc., do hereby certify that I have  
mailed a true and correct copy of the foregoing Praecipe to Enter  
Appearance in the above captioned matter to:

Bernard P. Matthew, Jr., Esquire  
Meyer, Darragh, Buckler,  
Bebenek & Eck, P.L.L.C.  
114 South Main Street  
Greensburg, PA 15601-3102



---

Scott C. Etter, Esquire

Dated: 10/27/03

JUNIATA LAKE PROPERTIES, LLC, : IN THE COURT OF COMMON PLEAS OF  
and DUBOIS COUNTRY CLUB, LTD., : CLEARFIELD COUNTY, PENNSYLVANIA  
: CIVIL ACTION - LAW

Plaintiffs

vs.

STEPHEN POORMAN & COMPANY,  
INC. and STEPHEN POORMAN,

Defendants

:  
:  
: No. 03 - 1572 - CD  
:  
:

: **PRELIMINARY OBJECTIONS**  
:  
:

: Filed on behalf of: Defendants,  
: Stephen Poorman & Company, Inc.  
: and Stephen Poorman  
:  
:

: COUNSEL OF RECORD FOR PARTY:  
:  
:

: Scott C. Etter, Esquire  
: I.D. #72789  
:  
:

: MILLER, KISTLER, CAMPBELL,  
: MILLER, WILLIAMS & BENSON, INC.  
: 720 South Atherton Street  
: State College, PA 16801  
: (814) 234-1500

**FILED**

**OCT 28 2003**

William A. Shaw  
Prothonotary/Clerk of Courts

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA  
CIVIL ACTION - LAW

JUNIATA LAKE PROPERTIES, LLC :  
and DUBOIS COUNTRY CLUB, LTD., :  
:  
Plaintiffs, :  
:  
vs. : No. 03-1572-CD  
:  
STEPHEN POORMAN & COMPANY, :  
INC. and STEPHEN POORMAN, :  
:  
Defendants, :

**RULE TO SHOW CAUSE**

**AND NOW**, this \_\_\_\_ day of \_\_\_\_\_, 2003, a Rule is hereby granted to show cause why Defendants' Preliminary Objections should not be sustained, and the Complaint in Equity for Injunctive Relief and an Accounting be denied.

This rule is returnable for argument on the \_\_\_\_ day of \_\_\_\_\_, 2003, at \_\_\_\_\_ o'clock \_\_.m., in Courtroom Number \_\_\_\_, Clearfield County Courthouse, 230 East Market Street, Clearfield, Pennsylvania.

**BY THE COURT:**

\_\_\_\_\_  
J.

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA  
CIVIL ACTION - LAW

JUNIATA LAKE PROPERTIES, LLC :  
and DUBOIS COUNTRY CLUB, LTD., :

Plaintiffs, :

vs. : No. 03-1572-CD

STEPHEN POORMAN & COMPANY, :  
INC. and STEPHEN POORMAN, :

Defendants, :

**ORDER**

AND NOW, to-wit, this \_\_\_\_\_ day of \_\_\_\_\_, 2003, upon consideration of the Preliminary Objections filed on behalf of Defendants, Stephen Poorman & Company, Inc. and Stephen Poorman, the Briefs filed in support and opposed thereof, and oral argument, the Preliminary Objections are **SUSTAINED**, and it is hereby **ORDERED, ADJUDGED, and DECREED** that the Complaint in Equity for Injunctive Relief and an Accounting be stricken, with prejudice.

BY THE COURT:

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J.

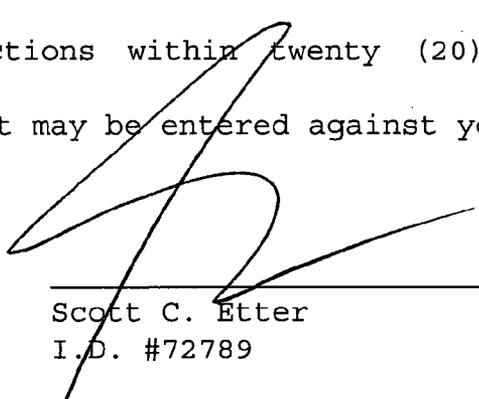
IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA  
CIVIL ACTION - LAW

JUNIATA LAKE PROPERTIES, LLC :  
and DUBOIS COUNTRY CLUB, LTD., :  
:  
Plaintiffs, :  
:  
vs. : No. 03-1572-CD  
:  
STEPHEN POORMAN & COMPANY, :  
INC. and STEPHEN POORMAN, :  
:  
Defendants, :

**NOTICE TO PLEAD**

TO: Juniata Lake Properties, LLC and DuBois Country Club, Ltd.,  
Plaintiffs  
c/o Bernard P. Matthew, Jr., Esquire  
Meyer, Darragh, Buckler,  
Bebenek & Eck, P.L.L.C.  
114 South Main Street  
Greensburg, PA 15601-3102

You are hereby notified to file a written response to the  
enclosed Preliminary Objections within twenty (20) days from  
service hereof or a judgment may be entered against you.



---

Scott C. Etter  
I.D. #72789

MILLER, KISTLER, CAMPBELL,  
MILLER, WILLIAMS & BENSON, INC.  
720 South Atherton Street  
State College, PA 16801  
(814) 234-1500

Attorneys for Defendants

Dated: October 27, 2003

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA  
CIVIL ACTION - LAW

JUNIATA LAKE PROPERTIES, LLC :  
and DUBOIS COUNTRY CLUB, LTD., :  
:  
Plaintiffs, :  
:  
vs. : No. 03-1572-CD  
:  
STEPHEN POORMAN & COMPANY, :  
INC. and STEPHEN POORMAN, :  
:  
Defendants, :

**PRELIMINARY OBJECTIONS**

**NOW COME** Defendants, Stephen Poorman & Company, Inc. and Stephen Poorman ("Defendants"), by and through their attorneys, Scott C. Etter, Esquire, and Miller, Kistler, Campbell, Miller, Williams & Benson, Inc., and pursuant to Pa.R.C.P. 1028 interposes Preliminary Objections to the Complaint in Equity for Injunctive Relief and an Accounting of Plaintiffs, Juniata Lake Properties, LLC and DuBois Country Club, Ltd. ("Plaintiffs"), whereof the following is a statement in support thereof:

1. Pa.R.C.P. 1028(a)(1) provides that preliminary objections may be filed for "lack of jurisdiction over the subject matter of the action or the person of the defendant, improper venue or improper form or service of a writ of summons or a complaint." Pa.R.C.P. 1028(a)(1).

2. On or about October 22, 2002, the parties entered into a Management Agreement. A true and correct copy the Management Agreement is attached hereto as Exhibit A.

3. Paragraph 9.1 of the Management Agreement provides in pertinent part as follows:

... The validity and effect of this Agreement shall be determined by references to the laws of the Commonwealth of Pennsylvania and any dispute relating hereto shall be heard in the Clinton County Court of Common Pleas for the Commonwealth of Pennsylvania.

Management Agreement, ¶9.1.

4. Plaintiffs, upon advice of counsel, repeatedly requested that this provision be deleted from the Management Agreement.

5. Defendants resolutely refused to delete this provision from the Management Agreement.

6. Plaintiffs ultimately acquiesced and agreed to keep this provision in the final version of the Management Agreement.

7. Defendants raised this issue in their Answer to the Motion for Preliminary Injunction.

8. Defendants raised this issue in their Memorandum of Law.

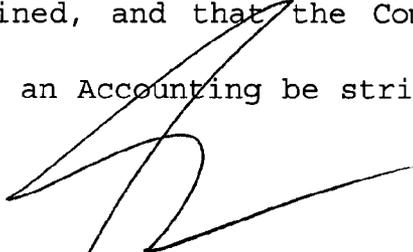
9. Defendants object to this matter being heard in the Court of Common Pleas of Clearfield County.

10. Defendants desire to have this matter heard in the Court of Common Pleas of Clinton County, as provided for in the Management Agreement, and as agreed to by the parties.

11. This court lacks jurisdiction in this matter.

12. Venue is improper in Clearfield County.

**WHEREFORE**, Defendants respectfully request that these Preliminary Objections be sustained, and that the Complaint in Equity for Injunctive Relief and an Accounting be stricken, with prejudice.



---

Scott C. Etter, Esquire  
I.D. #72789

MILLER, KISTLER, CAMPBELL,  
MILLER, WILLIAMS & BENSON, INC.  
720 South Atherton Street  
State College, PA 16801-4628  
(814) 234-1500

Attorneys for Defendants

Dated: October 27, 2003

## MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT (the "Agreement") made as of the 22nd day of October, 2002, by and between JUNIATA LAKE PROPERTIES, LLC, a Pennsylvania Limited Liability Company, with its principal place of business at 10 Lakeside Avenue, DuBois, Clearfield County, Pennsylvania, hereinafter referred to as "JLP,"

A

N

D

STEPHEN POORMAN & COMPANY, INC., a Pennsylvania Corporation, with its corporate office at 143-147 East Main Street, Lock Haven, Clinton County, Pennsylvania, hereinafter referred to as "SPC."

### W-I-T-N-E-S-S-E-T-H:

WHEREAS, JLP is a limited liability company registered in the Commonwealth of Pennsylvania, and,

WHEREAS, JLP is buying all of the assets of a Pennsylvania not-for-profit golf course known as The DuBois Country Club (the "Facility"), and,

WHEREAS, Facility operations are currently losing in excess of \$100,000.00 per year, and,

Page 1

Management Agreement - RJ

Juniata Lake Properties, LLC/Stephen Poorman & Company

EXHIBIT

    A

WHEREAS, a new Business Plan and new management structure is required to eliminate or reduce net operating losses, and,

WHEREAS, refinancing and a capital infusion is required in order to rehabilitate the Facility, and,

WHEREAS, SPC is a Pennsylvania corporation that provides turnaround management consulting services (the "services") to financially distressed companies, and,

WHEREAS, DuBois Country Club, Ltd. ("DCC") is a Pennsylvania Corporation owned by JLP; and,

WHEREAS, DCC will operate the Facility, and,

WHEREAS, the cost of providing services to JLP during the first two years of this Agreement may supercede projected revenue due SPC herein, and,

WHEREAS, JLP desires to retain SPC to provide services, and,

WHEREAS, SPC is willing to provide services, and,

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein, and further intending to be legally bound hereby, the parties agree as follows:

1. APPOINTMENTS.

1.1 JLP hereby appoints SPC as its management consultant with the responsibilities of providing services to JLP, its Management Committee, "DCC" and its officers to support it in the purchase of the Facility and to provide services required to reduce Facility losses.

1.2 JLP hereby employs SPC as its agent in the aforementioned business affairs, with the responsibility of performing all of the duties which are given to SPC pursuant to Paragraph 1.1 hereof and in particular, the following:

- a. Identify business problems within the Facility;
- b. Consult with lawyers and accountants regarding legal and tax matters;
- c. Gather data and input to assess future strategies;
- d. Create and implement a Turnaround Plan;
- e. Mitigate existing net operating losses;
- f. Generate cash;
- g. Retain employees and professionals to assist with the turnaround process;
- h. Create a Core Management Team and undertake an analysis of all revenues and expenses;
- i. Improve employee morale and create human resource programs;
- j. Refinance the company;
- k. Create and implement a Marketing Plan;
- l. Provide ongoing management advice and support to JLP, DCC and to their employees.

Until the date of closing, SPC will provide services under the terms and conditions of an existing Fee Letter dated June 28, 2002 which is attached hereto, marked Exhibit "A," and made a part hereof. These services will include all work to close the purchase and sale transaction together with preliminary efforts to begin the turnaround process. This work, as well as the implementation of the Turnaround Plan, will be "hands on;" SPC and its staff will carry out the work on behalf of JLP. After the Facility is staffed and the Turnaround Plan has been implemented, SPC will continue to provide support to JLP in an advisory capacity on a "when-needed basis." SPC does not provide "hands-on" management services long-term; it is not a replacement for a General Manager or staff but instead, it provides oversight, advice and support.

2. **TERM AND RENEWAL**

2.1 The term of this Agreement shall be from November 1, 2002 through and including October 31, 2007 and shall run under one-year automatically-renewable terms thereafter.

3. **FINANCIAL REPORTING**

3.1 SPC shall prepare, or shall provide JLP's accountant with books and records that are required for the accountant to prepare, state and Federal income tax returns. Accounting for Facility operations shall be undertaken on-site.

4. **REVENUES AND EXPENDITURES**

4.1 All revenues due JLP that are received or collected by SPC shall be directly deposited in a specially designated checking account with CSB Bank and maintained in the name of JLP.

4.2 Stephen Poorman shall be a signatory on the checking account and shall have the authority to write checks except for major capital purchases or non-recurring expenses in excess of \$5,000.00, which checks shall require the signature of one Member of JLP and Stephen Poorman. SPC shall be authorized to sign checks in excess of \$5,000.00 during the Facility development and construction period provided, however, that they relate directly to a contract for work approved by the President or Secretary-Treasurer of JLP.

4.3 SPC shall have the authority to make capital improvements to the Facility. SPC shall provide JLP with a detailed description of equipment to be purchased or work to be performed by submitting a Report to the JLP Management

Committee. SPC shall monitor the competitive bidding process of Eastern Resources, Inc., however, it is not responsible for construction matters or work performed by others.

4.4 After deduction of the compensation due SPC pursuant to Paragraph 5 below, and of a reserve not to exceed \$10,000.00, net revenue (revenues less expenditures), if any, shall be remitted on an annual basis to Members of JLP as their interest may appear.

5. COMPENSATION.

5.1 Subject to the provisions of this Paragraph 5, SPC shall be compensated by JLP for its management support by receipt of a fee (the "Management Fee") which is based on a percentage of total revenue from annual Facility operations:

- a. \$ 0 to \$550,000 4%  
\$551,000 to \$650,000 5%  
\$651,000+ 6%
- b. SPC will provide support staff at the rate of \$40.00 per hour after the Facility development and construction period, on a "when requested" basis;
- c. SPC will pay all miscellaneous office expenses, such as postage, photocopies, supplies, telephone, telecopy and travel, associated with the aforementioned services. JLP shall pay other expenses;
- d. No "appreciation fee" shall be due SPC, however, JLP transferred one (1) unit of equity ownership of the Facility to Stephen Poorman, individually;
- e. No retainer shall be due;
- f. No Management Fee shall be due or paid to SPC for the first ninety (90) days of the Agreement. The

Management Fee shall be reduced by fifty (50%) percent for the second ninety (90) days of the Agreement and one hundred (100%) percent of the Management Fee shall be due thereafter.

5.2 For purpose of the computation of the Management Fee due SPC under this Paragraph, total revenue:

- (a) shall not include unpaid membership fees or accounts receivable;
- (b) shall not include income from an existing gas well;
- (c) shall not include Pennsylvania sales tax;
- (d) shall not include interest income.

5.3 Management Fees due SPC in accordance with Paragraph No.

5.1 hereof may be withdrawn by SPC from any JLP account, may be withheld from the payment of net revenues due to the Members or may be paid by DCC from its operating account, depending on available cash flow.

5.4 Management Fees due SPC shall be paid within twenty (20) days after the close of each month (the "due date"). Any Management Fee not paid within twenty (20) days of the due date shall be assessed a penalty of five (5%) percent of the amount due and owing.

5.5 JLP shall pay SPC the total sum of One Hundred (\$100.00) Dollars per month for bookkeeping services rendered in connection with its management of JLP under this Agreement.

5.6 Should SPC perform work not included in this Agreement, it shall bill for said work at the rate of \$95.00 per hour.

6. INSURANCE AND INDEMNITY.

6.1 JLP shall purchase and maintain such insurance as will protect it and SPC from claims of any kind that may arise from its own or SPC's operations under this Agreement.

6.2 JLP, and its Members, and each of them, and DCC, shall release and hold harmless SPC and Stephen Poorman, individually, from any or all claims, demands, suits, debts, dues, sums of money, accounts, reckonings, notes, bills, covenants, contract, controversies, agreements, promises, damages, judgments, execution, claims and demands whatsoever, whether at law or in equity, in connection with his advice to JLP, or his oversight of DCC, unless they have arisen solely from the willful misconduct or fraud of SPC or Stephen Poorman.

7. GENERAL TERMS AND CONDITIONS.

7.1 JLP understands that any or all advice offered by SPC, without limitation, is offered as "general business advice" and not legal advice, advice on tax preparation, advice on accounting, advice on investments or securities nor advice on insurance matters. SPC will only offer JLP universal business practices within the foodservice, recreation and real estate industry.

7.2 Any or all advice offered by SPC is offered in the spirit of suggestion and said advice should be verified with a lawyer, accountant or other person licensed to give advice in their respective fields before any final decisions are made or final actions are taken.

7.3 Any or all forms, documents, letters or other communication prepared by SPC on behalf of JLP or DCC should be reviewed by a lawyer, accountant, or other person licensed to give advice in their respective fields before any firm decisions are made or final actions are taken.

7.4 JLP hereby states that SPC has not represented himself/itself as a lawyer, accountant, licensed insurance agent, securities broker, Realtor or any other licensed professional but represented himself/itself only as an unlicensed general business consultant.

7.5 SPC will commence work on or about November 1, 2002; time is *not of the essence* in completing said assignments unless SPC is notified, in writing, of specific deadlines.

7.6 Under all circumstances, ownership of all file copies of calculations, diskettes, photographs and texts of reports, as instruments of service, is that of SPC.

7.7 JLP assumes full responsibility for damages awarded to third parties due to misuse of reports, management letters or other written matters prepared by SPC, in addition to any damages levied against SPC from said misuse.

7.8 It is understood between the parties hereto that JLP had financial problems when it purchased the Facility and engaged SPC and it agrees that SPC did not contribute to its business problems.

7.9 All information to be contained within any reports or management letters prepared by SPC, but furnished by others, will be assumed to be

true, correct and reliable. SPC will make a reasonable effort to verify such information, however, no responsibility will be assumed for its accuracy.

7.10 Revenue due SPC as a result of this Agreement may be assigned by SPC to Stephen Poorman, individually, without notice to JLP. JLP herein agrees to said assignment.

7.11 If a gain is made or a sale is consummated, SPC may, at its option and expense, claim appropriate credit for its services, including placing a "tombstone" announcement in such newspapers and periodicals as it may select, or use client reference letters in a similar fashion.

## 8. NOTICES.

8.1 Any and all notices or other communications provided for or permitted under this Agreement or by law shall be in writing and shall be deemed duly served when deposited in the United States mail, certified, postage prepaid, addressed to a party hereto at the address of its principal place of business or to such other place as may from time to time be specified in a notice given pursuant to this Paragraph as the address for service of notice on such party.

## 9. PARTIES TO AGREEMENT AND GOVERNING LAW.

9.1 This Agreement shall extend to and bind the parties hereto, and their respective heirs, executors, administrators, successors and assigns; provided, however, that any party hereto may not assign its rights or obligations hereunder without the other parties' prior written consent. The validity and effect of this Agreement shall be determined by references to the laws of the Commonwealth of

Pennsylvania and any dispute relating hereto shall be heard in the Clinton County Court of Common Pleas for the Commonwealth of Pennsylvania.

10. **COUNTERPARTS.**

10.1 This Agreement may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument.

11. **AUTHORITY.**

11.1 The individual signing this Agreement on behalf of any entity hereby represents and warrants in his individual capacity that he has full authority to do so on behalf of such entity and this Agreement was unanimously approved by JLP and its Members on October 16, 2002.

12. **ENTIRETY OF AGREEMENT.**

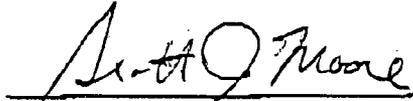
12.1 This instrument embodies the entire agreement between the parties and supersedes all prior agreements and understandings, if any, relating to the subject matter hereof, except for documents expressly incorporated by reference herein. This Agreement may be amended only by an instrument in writing executed jointly by parties hereto and supplemented only by documents delivered or to be delivered in accordance with the express terms hereof.

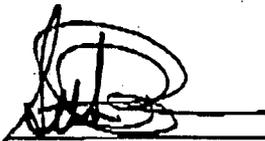
13. **SIGNATURE BY FACSIMILE.**

13.1 Each party may provide a facsimile of the signed signature page to the other, and the party who transmits the facsimile of its signed signature page shall

be bound by its faxed signature the same as if the transmittal has supplied in ink an original signature.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties hereto have caused this Agreement to be executed, under seal, the day and year first above written.

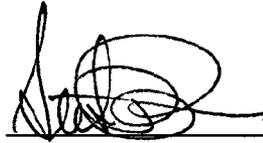
  
\_\_\_\_\_  
SCOTT J. MOORE "JLP" (SEAL)  
President  
Juniata Lake Properties, LLC

  
\_\_\_\_\_  
STEPHEN P. POORMAN "SPC" (SEAL)  
President  
Stephen Poorman & Company, Inc.

**VERIFICATION**

I, Stephen Poorman, am President of STEPHEN POORMAN & COMPANY, INC., a corporation, and as such President, being authorized to do so, state that the facts contained in the foregoing Preliminary Objections are true and correct to the best of my knowledge, information, and belief.

I make this Verification pursuant to 18 Pa.C.S.A. Section 4904 pertaining to unsworn falsification to authorities.

A handwritten signature in black ink, appearing to be 'Stephen Poorman', written over a horizontal line.

Stephen Poorman

Dated: October 27, 2003

**VERIFICATION**

I, STEPHEN POORMAN, state that the facts contained in the foregoing Preliminary Objections are true and correct to the best of my knowledge, information, and belief.

I make this Verification pursuant to 18 Pa.C.S.A. Section 4904 pertaining to unsworn falsification to authorities.



---

Stephen Poorman

Dated: October 27, 2003

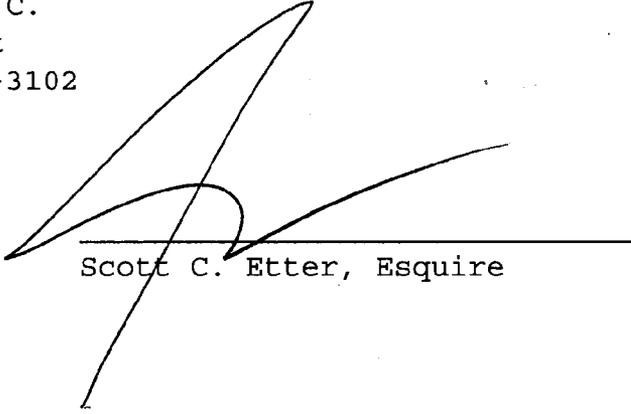
IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA  
CIVIL ACTION - LAW

JUNIATA LAKE PROPERTIES, LLC :  
and DUBOIS COUNTRY CLUB, LTD., :  
 :  
Plaintiffs, :  
 :  
vs. : No. 03-1572-CD  
 :  
STEPHEN POORMAN & COMPANY, :  
INC. and STEPHEN POORMAN, :  
 :  
Defendants, :

**CERTIFICATE OF SERVICE**

I, Scott C. Etter, Esquire, of Miller, Kistler, Campbell,  
Miller, Williams & Benson, Inc., do hereby certify that I have  
mailed a true and correct copy of the foregoing Preliminary  
Objections in the above captioned matter to:

Bernard P. Matthew, Jr., Esquire  
Meyer, Darragh, Buckler,  
Bebenek & Eck, P.L.L.C.  
114 South Main Street  
Greensburg, PA 15601-3102

  
\_\_\_\_\_  
Scott C. Etter, Esquire

Dated: October 27, 2003

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

JUNIATA LAKE PROPERTIES, LLC and  
DUBOIS COUNTRY CLUB, LTD,

Plaintiffs,

vs.

STEPHEN POORMAN & COMPANY,  
INC. and STEPHEN POORMAN,

Defendants.

CIVIL DIVISION

No. 03 1572-CD\*

**RESPONSE TO PRELIMINARY  
OBJECTIONS**

Filed on Behalf of Plaintiffs, Juniata Lake  
Properties, LLC and Dubois Country  
Club, LTD

Counsel of Record for this Party:

BERNARD P. MATTHEWS, JR., ESQ.  
PA. I.D. #54880

MEYER, DARRAGH, BUCKLER,  
BEBENEK & ECK, P.L.L.C.  
Firm No. 198  
114 South Main Street  
Greensburg, PA 15601-3102

Telephone No.: (724) 836-4840  
Fax No.: (724) 836-0532

JURY TRIAL DEMANDED

**FILED**

OCT 31 2003

W.A. Shaw  
William A. Shaw

Prothonotary/Clerk of Courts

no cert.

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

JUNIATA LAKE PROPERTIES, LLC and  
DUBOIS COUNTRY CLUB, LTD,

Plaintiffs,

vs.

STEPHEN POORMAN & COMPANY,  
INC. and STEPHEN POORMAN,

Defendants.

CIVIL DIVISION

No. 03 1572-CD

**RESPONSE TO PRELIMINARY OBJECTIONS**

**AND NOW** come the plaintiffs, Juniata Lake Properties, LLC and Dubois Country Club, LTD, by and through their attorneys, **MEYER, DARRAGH, BUCKLER, BEBENEK & ECK, P.L.L.C. and Bernard P. Matthews, Jr.**, and file the following response to preliminary objections, stating as follows:

1. The allegations of paragraph one are conclusions of law.

2 - 6. The management agreement between the parties is irrelevant to the action before this court alleging that the defendants have refused to return the plaintiffs' funds in breach of the operating agreement. Here, the defendants are simply withholding investor funds—which defendants do not own—as legal “leverage” to satisfy a completely separate contractual claim which, at this point, is merely an unproven allegation. If the defendants ultimately file suit to recover alleged management fees under the separate contract and thereafter prevail over the plaintiffs' intended vigorous defense, then and only

then will the defendants be in a position to argue that they are entitled to withhold those funds. Until that time, the defendants may not unilaterally decide that their disputed contractual claims are indefensible and withhold the plaintiffs' funds as if they have already secured a judgment against the plaintiffs. It is significant that the management agreement (which the defendants allege as the basis for withholding the funds) is unsecured and sets forth no sum certain for management fees allegedly due to the defendants. To the contrary, the defendants were only entitled to management fees under that agreement (1) if they complied with the terms of the agreement (which plaintiffs contend they did not); and (2) the country club generated certain revenue levels. Plaintiffs' sums presently withheld by the defendants remain defendants' arbitrary projections of revenues for the country club over a five year period which projections will likely never be realized. Additionally, the defendants now wish to rewrite and convert that management agreement into a secured agreement by withholding the plaintiffs' unrelated funds until their claims have either been vindicated or defeated. The defendants cannot be allowed to unilaterally convert the unsecured management agreement into a secured agreement solely because those funds happened to be in an account controlled by the defendants.

7 -8. It is denied that any "issues" were raised by defendants' memorandum of law or answer to the motion for injunctive relief. Even if these were raised in those documents, the issues are irrelevant to this action for the reasons stated above.

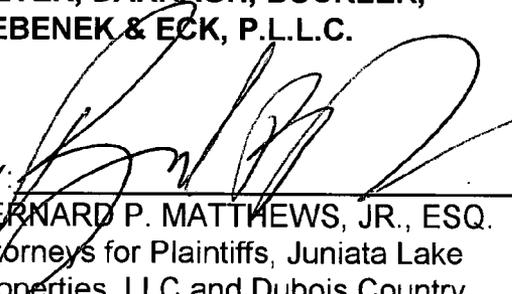
9 - 10. This action alleging breach of the operating agreement is properly before this Honorable Court for the reasons stated above.

11. Paragraph 11 alleges a conclusion of law which is inaccurate and denied.  
This court has jurisdiction over trial level matters in equity.

12. Denied. Venue is proper in Clearfield County.

**WHEREFORE**, Juniata Lake Properties, LLC and Dubois Country Club, LTD, respectfully request that this Honorable Court deny the preliminary objections and enter a special, preliminary and permanent injunction enjoining and directing Stephen Poorman & Company, Inc., Stephen Poorman and all persons and banking institutions acting in concert with them and/or under their control to immediately transfer and/or return to Juniata Lake Properties, LLC and Dubois Country Club, LTD any funds, monies or assets owned by Juniata Lake Properties, LLC or Dubois Country Club, LTD which are maintained and/or held in accounts under the possession and control of Stephen Poorman & Company, Inc. and Stephen Poorman, including but not limited to at least the sum of \$233,940.91 identified in the letter dated October 13, 2003 from Stephen Poorman & Company, Inc.

Respectfully submitted,  
**MEYER, DARRAGH, BUCKLER,  
BEBENEK & ECK, P.L.L.C.**

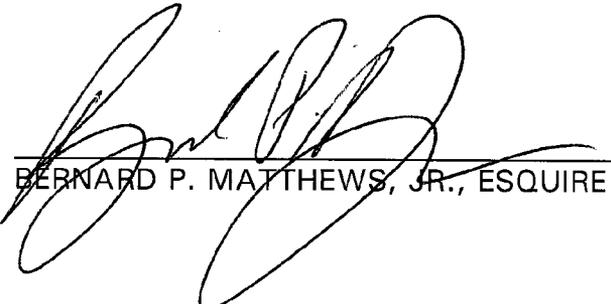
BY:   
BERNARD P. MATTHEWS, JR., ESQ.  
Attorneys for Plaintiffs, Juniata Lake  
Properties, LLC and Dubois Country  
Club, LTD

**JURY TRIAL DEMANDED**

**VERIFIED STATEMENT**

I, BERNARD P. MATTHEWS, JR., ESQUIRE, being the attorney for plaintiffs herein, am duly authorized to make this verified statement on their behalf as the verified statement of plaintiffs cannot be obtained in time for the filing of this pleading. I hereby verify that the statements set forth in the within Response to Preliminary Objections are true and correct to the best of my knowledge, information and belief.

I understand that false statements made herein are subject to the penalties of 18 Pa. C.S. Section 4904, relating to unsworn falsification to authorities.

  
BERNARD P. MATTHEWS, JR., ESQUIRE

Date:

10/30/03

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA  
CIVIL DIVISION

JUNIATA LAKE PROPERTIES LLC  
and DUBOIS COUNTRY CLUB, LTD.,  
Plaintiffs

No. 03-1572-CD  
Equity

**FILED**

vs.

NOV 25 2003

STEPHEN POORMAN & COMPANY,  
INC. and STEPHEN POORMAN,  
Defendants.

William A. Shaw  
Prothonotary

**OPINION AND ORDER**

Plaintiffs, Juniata Lake Properties, LLC (“JLP”) and DuBois Country Club, LTD (“DCC”), filed a Complaint in Equity for Injunctive Relief and an Accounting on October 20, 2003. In the Complaint, Plaintiffs allege that Defendants, Stephen Poorman & Company, Inc. (“SP&C”) and Stephen Poorman, are improperly withholding and refusing to return certain funds to the Plaintiffs, and seek an injunction requiring the return the funds to Plaintiffs, as well as an accounting of the expenditure of its funds by the Defendants pursuant to Pa. R.C.P. 1530. On October 20, 2003, this Court entered an Order freezing all funds, monies or assets of DCC held or maintained in accounts controlled or possessed by Defendants. Defendants filed preliminary objections to the Complaint on October 28, 2003, and argument on the Motion for Preliminary Injunctive Relief and the Preliminary Objections was held on October 31, 2003. Both parties have submitted briefs, and the matter is now ripe for decision.

***Background***

In their Complaint, Plaintiffs indicate that they are parties to an Operating Agreement dated October 16, 2002, by and among certain individual members (the “Members”) pursuant to which JLP, a Pennsylvania limited liability company, was formed. The Operating Agreement provides that JLP will execute a Management Agreement with SP&C, providing for

oversight and development efforts relating to the newly formed DuBois Country Club, Ltd. (“DCC”). The Management Agreement was executed by and between JLP and SP&C on October 22, 2002, and set forth the terms under which SP&C would provide “turnaround management consulting services” to JLP in connection with the operation of the DuBois Country Club facility. On October 4, 2003, JLP assigned its rights under the Management Agreement to DCC, and DCC agreed that it would take no action to terminate the Management Agreement or to change other mutually acceptable terms or conditions contained therein. On April 8, 2003, JLP executed a Guaranty Agreement whereby JLP guaranteed DCC’s payment to SPC of any monies due SPC under the Management Agreement.

Defendants’ Preliminary Objections to the Complaint assert that this Court lacks subject matter jurisdiction over this proceeding based upon their contention that Plaintiffs’ claims arise out of a dispute involving the relationship between these parties as set forth in the Management Agreement. As such, Defendants’ argue that Paragraph 9.1 of the Management Agreement ousts this Court of jurisdiction by providing that

The validity and effect of this Agreement shall be determined by references to the laws of the Commonwealth of Pennsylvania and *any dispute relating hereto shall be heard in the Clinton County Court of Common Pleas* for the Commonwealth of Pennsylvania.

In response, Plaintiffs argue that their disputes arise under the Operating Agreement and that they have alleged no claims under the Management Agreement. Plaintiffs assert that Defendants are withholding investor funds as “leverage” to satisfy a separate contractual claim relating to management fees, which at this point has not been raised.<sup>1</sup>

Supporting Plaintiffs’ argument that the funds held by Defendants are the property of JLP, Paragraph 8.01 of the Operating Agreement, provides that

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<sup>1</sup> At this point in time, Defendants have not filed suit or asserted a counterclaim for fees allegedly due and owing under the Management Agreement.

All funds of the Company shall be deposited in its name in such checking account or other accounts in such banking institutions as the Members shall designate . . . Initially, and for such time as may be determined by the Members, Company monies shall be deposited in a Merrill Lynch WCMA account, or in an interest bearing account with a local financial institution. Members' contributions, loan proceeds and income shall be deposited in the aforesaid account and all expenses shall be paid there from.

Plaintiffs further allege that consistent with this provision, a report from SP&C's accounting department dated September 8, 2003, indicates that \$590,000 in member capital contributions was transmitted to SP&C for deposit in a JLP account. Thereafter, on October 9, 2003, the Members of JLP held a special meeting and unanimously voted to amend Section 5.01 and 8.01 of the Operating Agreement to terminate the Management Agreement with SP&C; to provide that SP&C was no longer authorized to expend its funds; and to direct that SP&C "immediately transfer and/or return to the Company any funds, monies or assets owned by the Company or Dubois Country Club, LTD, which are maintained and/or held in accounts under the possession of Stephen Poorman & Company, Inc." Upon receipt of this resolution, SP&C refused to return the funds, and forwarded the following written response on October 13, 2003:

After consultation with our attorney, we are withholding (i) \$137,812.39 for the amount due under the Management Agreement (ii)\$30,278.24 for my 3.85% equity ownership in the Limited Liability Company and (iii) \$32,000.00 for day-to-day management services from October 1, 2002 through and including September 30, 2003.

Juniata Lake Properties, LLC currently has \$200,894.81 . . . in our escrow account and \$28,666.21 in the Sovereign operating account; DuBois Country Club, LTD currently has \$4,379.89 in the CSB Bank checking account. Thus we will be returning \$33,850.28. You may send an accountant to our office to review the accounts or any other documents to verify the above sums.

SP&C sent two checks on or about October 14, 2003 in the amounts of \$28,666.21 and \$804.18, both of which contained restrictive endorsements providing that endorsement of the checks represents an acknowledgement that SP&C had returned all funds to JLP and DCC

“from the beginning of time to the date hereof.” No other funds have been returned to Plaintiffs.

*I. Preliminary Objections*

In reviewing preliminary objections, this Court must accept as true all material facts pleaded in Plaintiffs’ Complaint and all reasonable inferences that flow from those material facts. Powell v. Drumheller, 653 A.2d 619, 621 (Pa. 1995). Preliminary objections may be sustained only if it is clear and free from doubt that the Plaintiffs cannot prove facts legally sufficient to establish their claim for relief. Pennsylvania AFL-CIO v. Commonwealth, 757 A.2d 917, 920 (Pa. 2000). Any doubts must be resolved in favor of the Plaintiffs. Powell, 653 A.2d at 621.

Accepting as true all material facts as pled in the Complaint, the Court finds that Plaintiffs have set forth a claim arising under the terms of the Operating Agreement. Plaintiffs aver that the Members made capital contributions to JLP in accordance with the Operating Agreement; that such contributions were forwarded to SP&C for deposit in an account held in JLP’s name as provided in the Operating Agreement; that pursuant to a resolution passed by a majority of the Members, JLP sought to have such funds returned to JLP and to terminate Mr. Poorman’s rights to use such funds, as had been provided for in the Operating Agreement; and that Mr. Poorman and/or SP&C has refused to return such funds to JLP. There is no provision in the Operating Agreement for the withholding or withdrawal of these contributions by SP&C or any other party. Indeed, Paragraph 3.07 of the Operating Agreement provides that “[n]o Member shall withdraw any portion of the initial capital of the Company without the express written consent of the other Members.” Additionally, the Operating Agreement provided Mr.

Poorman with only limited access to JLP's funds.<sup>2</sup> Moreover, as amended by a majority of the Members (as required by Paragraph 9.12), all withdrawals are to be made upon checks signed by a member of the Management Committee, and all funds held or maintained in any account owned or controlled by SP&C are to be returned for deposit in an account designated by the Management Committee, including members' contributions. Mr. Poorman, as a member of JLP, is likewise bound by this resolution amending the Operating Agreement. Neither Mr. Poorman, as a Member of JLP, nor SPC<sup>3</sup>, has any right, under the terms of the Operating Agreement, to hold these funds for payment of fees incurred under the Management Agreement.<sup>4</sup> Based upon these allegations, this Court finds that Plaintiffs have pled a claim under the Operating Agreement that Defendants are wrongfully withholding funds owned by JLP. As such, the forum selection clause contained in the Management Agreement is not relevant to the present claim, and Defendants' preliminary objection must be dismissed.

## *II. Motion for Preliminary Injunctive Relief*

Injunctive relief is considered an extraordinary remedy granted only when the right to relief is clear. DiLucente Corp. v. Pennsylvania Roofing Co., Inc., 655 A.2d 1035 (Pa. Super.

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<sup>2</sup> For example, Paragraph 8.01, prior to its amendment, provided that all funds of JLP were to be deposited in an account in JLP's name and that Mr. Poorman could only make withdrawals in excess of \$5,000 for "major capital purchases or non-recurring expenses" with the signature or written approval of two Members, unless such checks were written during the development and construction phase of the facility and related to a contract for work approved by the President or Secretary-Treasurer.

<sup>3</sup> While SPC is not a Member under the terms of the Operating Agreement, the letter of October 10, 2003, was written by Mr. Poorman on SP&C letterhead, and provided responses to the resolution passed by JLP relating to amendment to the Operating Agreement. In that letter, Mr. Poorman, acting on behalf of SP&C indicates that "we will immediately cease representation of both entities;" and "we will immediately transfer all monies to you except monies due and owing *our company*;" and went on to indicate that funds were being withheld for payment of monies allegedly due under the Management Agreement. This correspondence clearly indicates that Mr. Poorman himself obfuscated the obligations of SP&C with respect to the Operating Agreement and Management Agreement.

<sup>4</sup> Moreover, while Defendants' correctly point out that the Operating Agreement provides that JLP will execute a management agreement with SP&C, the Operating Agreement was executed one week prior to the execution of the Management Agreement and there is no language in the Operating Agreement incorporating by reference or otherwise the terms of the Management Agreement. Additionally, as noted herein, at the present time, Defendants have not raised a claim under the Management Agreement for unpaid fees.

1995). The appropriate scope of an injunction must “be determined in the first place by the trial court based upon its perception of the needs of the plaintiff as balanced against the effect on the defendant.” Den-Tal-Ez, Inc. v. Siemens Capital Corp., 566 A.2d 1214, 1232 (Pa. Super. 1989). A party seeking injunctive relief must establish

(1) that relief is necessary to prevent immediate and irreparable harm which cannot be compensated by damages; (2) that greater injury will occur from refusing the injunction than from granting it; (3) that the injunction will restore the parties to the status quo as it existed immediately before the alleged wrongful conduct; (4) that the alleged wrong is manifest, and the injunction is reasonably suited to abate it; and (5) that the plaintiff’s right to relief is clear.

Santoro v. Morse, 781 A.2d 1220, 1229 (Pa. Super. 2001).

Additionally, a mandatory preliminary injunction, as requested by Plaintiffs herein, serves to compel a defendant to perform an act rather than merely requiring that the defendant refrain from acting. Roberts v. Board of Directors of the School District of Scranton, 341 A.2d 475, 478 (Pa. 1975). However, the Pennsylvania Supreme Court has directed that such injunctions should issue “only in rare cases and certainly more sparingly than one which is merely prohibitory.” Id. Finally, in a case such as this, Rule 1531(e) of the Pennsylvania Rules of Civil Procedure applicable to equity actions provides that following a preliminary hearing, a court must enter an order dissolving, continuing or modifying a previously entered injunction.

In their Complaint, Plaintiffs seek injunctive relief directing Mr. Poorman, SP&C and their agents to immediately transfer and/or return to the Plaintiffs any funds, monies or assets owned by the Plaintiffs that are allegedly being wrongfully withheld. Plaintiffs assert that they have satisfied their burden in seeking injunctive relief. First, Plaintiffs assert that injunctive relief is necessary to prevent immediate and irreparable harm that cannot be compensated by damages because Defendants refuse to return Plaintiffs’ funds that are needed to meet past and continuing operating expenses. Without access to such funds, Plaintiffs assert that they may

need to seek protection under the bankruptcy code such that greater injury will occur from refusing the injunction than from granting it. Next, Plaintiffs allege that the injunction will restore the status quo because the funds are owned by Plaintiffs and Defendants have unilaterally determined to withhold the funds; that this is a manifest wrong under the Operating Agreement; and that the injunction is reasonably suited to abate this wrong. Further, Plaintiffs note that if Defendants believe that they have a claim under or relating to the Management Agreement, they can pursue these separate claims through litigation against Plaintiffs. Finally, Plaintiffs argue that their right to relief is clear and that the funds being withheld by Defendants are owned by Plaintiffs and must be returned.

Defendants take issue with Plaintiffs' contention that they are suffering immediate and irreparable harm, arguing that the witness presenting the testimony regarding a profit and loss statement for October 2003 was not competent to testify as to such statement, and further that the projected costs over a six month time frame do not constitute immediate harm. In sum, Defendants contend that Plaintiffs have not established why the money must be released to them right now and what calamities will befall them if it is not released.

Initially, the Court finds merit to Defendants' objection as to the competency of Plaintiffs' only witness (Mr. Vernon L. Shaffer, Jr.) to testify as to the profit and loss statement, based upon the fact that Mr. Shaffer is not a CPA, an accountant, a member of the board or an officer of DCC. However, based upon Mr. Shaffer's status as a Member of JLP, the Court finds that his general testimony regarding DCC's financial ability to meet its obligations as they come due, as well as his testimony as to the obligations upon which DCC will default, to be credible. Additionally, it serves no purpose to require that Plaintiffs wait until actual defaults occur before seeking this Court's intervention. As averred in the Complaint, Defendants'

refusal to allow Plaintiffs' access to their own funds, which under the terms of the Operating Agreement were to be held in JLP's name, is resulting in immediate and irreparable harm to Plaintiffs based upon their inability to meet current expenses. While the Defendants may have a claim for payment of certain management fees by Plaintiffs, this claim has not yet been raised or otherwise proven in the context of this litigation. As such, there is insufficient evidence from which this Court could conclude that SP&C is entitled to place a "hold" on JLP's assets. In sum, this Court finds that Plaintiffs' have established the prerequisites to the issuance of a preliminary injunction.

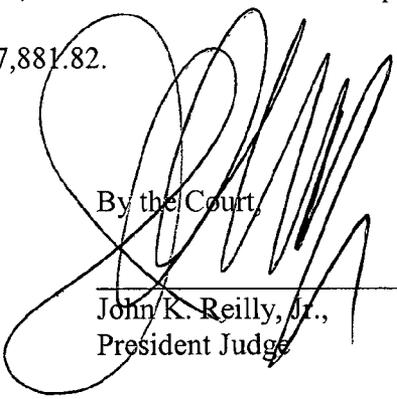
WHEREFORE, the Court enters the following Order:

#### O R D E R

AND NOW this 24<sup>th</sup> day of November, 2003, upon consideration of the foregoing, it is hereby Ordered, Adjudged and Decreed that Defendants, Stephen Poorman & Company, Inc.'s and Stephen Poorman's Preliminary Objections be and are hereby DISMISSED.

FURTHER, it is hereby Ordered that the Motion for Preliminary or Special Injunction of Plaintiffs, Juniata Lake Properties, LLC and DuBois Country Club, LTD, be and is hereby GRANTED. Defendants Stephen Poorman & Company, Inc. and Stephen Poorman, are hereby enjoined and directed to immediately transfer to Plaintiffs all funds, monies, or assets owned by Plaintiffs and held or maintained in accounts controlled or possessed by Defendants, including but not limited to the sum of \$233,940.91, comprised of \$200,894.81 held in Defendants' escrow account; \$28,666.21 held in a Sovereign Bank operating account; and

\$4,379.89 held in a CSB Bank checking account (all as identified in the October 13, 2003 letter from Mr. Poorman to Mr. Scott Moore, Exhibit E to Plaintiffs' Complaint in Equity). Plaintiffs shall post bond in the amount of \$467,881.82.



By the Court,

---

John K. Reilly, Jr.,  
President Judge

FILED

0 11:26 AM

NOV 25 2003

*1cc City Ethel  
1cc City Matthews  
1cc City Michael*

William A. Shaw  
Prothonotary

*WAS*

**In The Court of Common Pleas of Clearfield County, Pennsylvania**

JUNIATA LAKE PROPERTIES, LLC and DUBOIS COUNTRY CLUB, LTD.

Sheriff Docket # 14685

VS.

03-1572-CD

STEPHEN POORMAN & COMPANY, INC. and STEPHEN POORMAN

COMPLAINT IN EQUITY FOR INJUNCTIVE RELIEF AND AN ACCO

**SHERIFF RETURNS**

NOW OCTOBER 21, 2003, CHARLES ANKEY, SHERIFF OF CLINTON COUNTY WAS DEPUTIZED BY CHESTER A. HAWKINS, SHERIFF OF CLEARFIELD COUNTY TO SERVE THE WITHIN COMPLAINT IN EQUITY FOR INJUNCTIVE RELIEF AND AN ACCOUNTING ON STEPHEN POORMAN & COMPANY, INC. and STEPHEN POORMAN, DEFENDANTS.

NOW OCTOBER 24, 2003 SERVED THE WITHIN COMPLAINT IN EQUITY FOR INJUNCTIVE RELIEF AND AN ACCOUNTING ON STEPHEN POORMAN & COMPANY INC. and STEPHEN POORMAN, DEFENDANTS BY DEPUTIZING THE SHERIFF OF CLINTON COUNTY. THE RETURNS OF SHERIFF ANKEY ARE HERETO ATTACHED AND MADE A PART OF THIS RETURN STATING THAT HE SERVED BOTH COPIES ON EMILY UMSTEAD, MGR.

**Return Costs**

Cost	Description
36.13	SHERIFF HAWKINS PAID BY: ATTY
20.00	SURCHARGE PAID BY: ATTY
35.00	CLINTON COUNTY SHERIFF PAID BY: ATTY.

Sworn to Before Me This

26<sup>th</sup> Day Of Nov 2003

William A. Shaw

So Answers,

Chester A. Hawkins  
Jay Marilyn Harris  
Chester A. Hawkins  
Sheriff

**FILED**

03:10:00  
NOV 26 2003

William A. Shaw  
Prothonotary/Clerk of Courts

# SHERIFF'S DEPARTMENT

CLINTON COUNTY, PENNSYLVANIA

COURTHOUSE, BASEMENT, LOCK HAVEN, PA 17745

## SHERIFF SERVICE PROCESS RECEIPT, and AFFIDAVIT OF RETURN

### INSTRUCTIONS:

Print legibly, insuring readability of all copies.  
Do not detach any copies. CCSD ENV.#

809-03

1. PLAINTIFF / S / Juniata Lake Properties, LLC	2. COURT NUMBER 03-1572-CD
3. DEFENDANT / S / Poorman, Stephen et al.	4. TYPE OF WRIT OR COMPLAINT Notice & Complaint

**SERVE**  
➔  
**AT**

5. NAME OF INDIVIDUAL, COMPANY, CORPORATION, ETC., TO SERVICE OR DESCRIPTION OF PROPERTY TO BE LEVIED, ATTACHED OR SOLD.  
STEPHEN POORMAN & CO., INC.

6. ADDRESS (Street or RFD, Apartment No., City, Boro, Twp., State and ZIP Code)  
143-147 E. MAIN ST. SUITE 2D LOCK HAVEN, PA 17745

7. INDICATE UNUSUAL SERVICE:  PERSONAL  PERSON IN CHARGE  DEPUTIZE  CERT. MAIL  REGISTERED MAIL  POSTED  OTHER

NOW, \_\_\_\_\_ 20\_\_\_\_, I, SHERIFF OF CLINTON COUNTY, PA., do hereby deputize the Sheriff of \_\_\_\_\_ County to execute this Writ and make return thereof according to law. This deputation being made at the request and risk of the plaintiff.

SHERIFF OF CLINTON COUNTY

8. SPECIAL INSTRUCTIONS OR OTHER INFORMATION THAT WILL ASSIST IN EXPEDITING SERVICE:

NOTE ONLY APPLICABLE ON WRIT OF EXECUTION: N.B. WAIVER OF WATCHMAN — Any deputy sheriff levying upon or attaching any property under within writ may leave same without a watchman, in custody of whomever is found in possession, after notifying person of levy or attachment, without liability on the part of such deputy or the sheriff to any plaintiff herein for any loss, destruction or removal of any such property before sheriffs' sale thereof.

9. SIGNATURE of ATTORNEY or other ORIGINATOR requesting service on behalf of: BERNARD P. MATTEWS, JR.	<input type="checkbox"/> PLAINTIFF <input type="checkbox"/> DEFENDANT	10. TELEPHONE NUMBER	11. DATE 10/24/03
--	--	----------------------	----------------------

### SPACE BELOW FOR USE OF SHERIFF ONLY — DO NOT WRITE BELOW THIS LINE

12. I acknowledge receipt of the writ or complaint as indicated above.	SIGNATURE of Authorized CCSD Deputy or Clerk and Title CHRISTINA M. BILBY SECRETARY	13. Date Received 10/23/03	14. Expiration/Hearing date 11/19/03
--	--	-------------------------------	---

15. I hereby CERTIFY and RETURN that I  have personally served,  have served person in charge,  have legal evidence of service as shown in "Remarks" (on reverse)  have posted the above described property with the writ or complaint described on the individual, company, corporation, etc., at the address shown above or on the individual, company, corporation, etc., at the address inserted below by handling/or Posting a TRUE and ATTESTED COPY thereof.

16.  I hereby certify and return a NOT FOUND because I am unable to locate the individual, company, corporation, etc., named above. (See remarks below)

17. Name and title of individual served Emily Umstead Manager	18. A person of suitable age and discretion then residing in the defendant's usual place of abode. <input type="checkbox"/>	Read Order <input type="checkbox"/>
--	---	-------------------------------------

19. Address of where served (complete only if different than shown above) (Street or RFD, Apartment No., City, Boro, Twp., State and ZIP Code) same	20. Date of Service 10/24/03	21. Time 11:12 A
--	---------------------------------	---------------------

22. ATTEMPTS	Date	Miles	Dep. Int.												

23. Advance Costs	24.	25.	26.	27. Total Costs	28. COST DUE OR REFUND
-------------------	-----	-----	-----	-----------------	------------------------

AFFIRMED and subscribed to before me this 27th day of October 2003 Christina M. Bilby	SO ANSWER Jerny R. Wanta By (Sheriff/Dep. Sheriff) (Please Print or Type) CHARLES R. ANKNEY Signature of Sheriff Charles R. Ankney SHERIFF OF CLINTON COUNTY	10/24/03 Date 10/27/03 Date
NOTARIAL SEAL Christina M. Bilby, Notary Public City of York, PA My Commission Expires Dec 1, 2003	I ACKNOWLEDGE BY RETURN TO THE COUNTY OF CLINTON OF AUTHORIZED BY COMMISSION EXPIRES DEC 1, 2003	39. Date Received

**SHERIFF'S RETURN OF SERVICE**

( ) (1) The within \_\_\_\_\_  
upon \_\_\_\_\_, the within named  
defendant by mailing to \_\_\_\_\_  
by \_\_\_\_\_ mail, return receipt requested, postage  
prepaid, \_\_\_\_\_ on the \_\_\_\_\_,  
a true and attested copy thereof at \_\_\_\_\_

The return receipt signed by \_\_\_\_\_  
defendant on the \_\_\_\_\_ is hereto attached and  
made a part of this return.

( ) (2) Outside the Commonwealth, pursuant to Pa. RCP.405 (c) (1)-(2), by mailing a true and  
attested copy thereof at \_\_\_\_\_

in the following manner:

( ) (a) To the defendant by ( ) registered ( ) certified mail, return receipt requested,  
postage prepaid, addressee only on the \_\_\_\_\_,  
said receipt being returned NOT signed by defendant, but with a notation by the  
Postal Authorities that Defendant refused to accept the same. The returned  
receipt and envelope is attached hereto and made part of this return.

And thereafter:

( ) (b) To the defendant by ordinary mail addressed to defendant at same address, with  
the return address of the Sheriff appearing thereon, on the \_\_\_\_\_

I further certify that after fifteen (15) days from the mailing date, I have not  
received said envelope back from the Postal Authorities. A certificate of mailing  
is hereto attached as a proof of mailing.

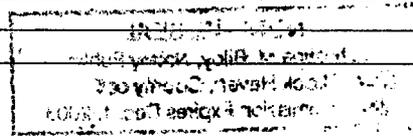
( ) (3) By publication in the Lock Haven Express, a weekly publication of general circulation  
in the County of Clinton, Commonwealth of Pennsylvania, one time with publication  
appearing \_\_\_\_\_

The affidavit from said Lock Haven Express is hereto attached.

( ) (4) By mailing to \_\_\_\_\_  
by \_\_\_\_\_ mail, return receipt requested, postage prepaid,  
\_\_\_\_\_ on the \_\_\_\_\_  
a true and attested copy thereof at \_\_\_\_\_

The \_\_\_\_\_ returned by the Postal  
Authorities marked \_\_\_\_\_  
is hereto attached.

( ) (5) Other \_\_\_\_\_



# SHERIFF'S DEPARTMENT

CLINTON COUNTY, PENNSYLVANIA

COURTHOUSE, BASEMENT, LOCK HAVEN, PA 17745

## SHERIFF SERVICE PROCESS RECEIPT, and AFFIDAVIT OF RETURN

### INSTRUCTIONS:

Print legibly, insuring readability of all copies.

Do not detach any copies.

CCSD ENV.#

*809-03*

1. PLAINTIFF / S / Juniata Lake Properties, LLC		2. COURT NUMBER 03-1572-CD	
3. DEFENDANT / S / Poorman, Stephen et al.		4. TYPE OF WRIT OR COMPLAINT Notice & Complaint	
SERVE AT	5. NAME OF INDIVIDUAL, COMPANY, CORPORATION, ETC., TO SERVICE OR DESCRIPTION OF PROPERTY TO BE LEVIED, ATTACHED OR SOLD. STEPHEN POORMAN		
	6. ADDRESS (Street or RFD, Apartment No., City, Boro, Twp., State and ZIP Code) 143-147 E. MAIN ST. SUITE 2D LOCK HAVEN, PA 17745		
7. INDICATE UNUSUAL SERVICE: <input type="checkbox"/> PERSONAL <input type="checkbox"/> PERSON IN CHARGE <input type="checkbox"/> DEPUTIZE <input type="checkbox"/> CERT. MAIL <input type="checkbox"/> REGISTERED MAIL <input type="checkbox"/> POSTED <input type="checkbox"/> OTHER			

NOW, \_\_\_\_\_ 20\_\_\_\_, I, SHERIFF OF CLINTON COUNTY, PA., do hereby deputize the Sheriff of \_\_\_\_\_ County to execute this Writ and make return thereof according to law. This deputation being made at the request and risk of the plaintiff.

\_\_\_\_\_  
SHERIFF OF CLINTON COUNTY

8. SPECIAL INSTRUCTIONS OR OTHER INFORMATION THAT WILL ASSIST IN EXPEDITING SERVICE:

NOTE ONLY APPLICABLE ON WRIT OF EXECUTION: N.B. WAIVER OF WATCHMAN — Any deputy sheriff levying upon or attaching any property under within writ may leave same without a watchman, in custody of whomever is found in possession, after notifying person of levy or attachment, without liability on the part of such deputy or the sheriff to any plaintiff herein for any loss, destruction or removal of any such property before sheriffs' sale thereof.

9. SIGNATURE of ATTORNEY or other ORIGINATOR requesting service on behalf of: BERNARD P. MATTEWS, JR.		10. TELEPHONE NUMBER	11. DATE 10/24/03
<input type="checkbox"/> PLAINTIFF <input type="checkbox"/> DEFENDANT			

### SPACE BELOW FOR USE OF SHERIFF ONLY — DO NOT WRITE BELOW THIS LINE

12. I acknowledge receipt of the writ or complaint as indicated above.	SIGNATURE of Authorized CCSD Deputy or Clerk and Title CHRISTINA M. BILBY SECRETARY	13. Date Received 10/23/03	14. Expiration/Hearing date 11/19/03
15. I hereby CERTIFY and RETURN that I <input type="checkbox"/> have personally served, <input checked="" type="checkbox"/> have served person in charge, <input type="checkbox"/> have legal evidence of service as shown in "Remarks" (on reverse) <input type="checkbox"/> have posted the above described property with the writ or complaint described on the individual, company, corporation, etc., at the address shown above or on the individual, company, corporation, etc., at the address inserted below by handling/or Posting a TRUE and ATTESTED COPY thereof.			
16. <input type="checkbox"/> I hereby certify and return a NOT FOUND because I am unable to locate the individual, company, corporation, etc., named above. (See remarks below)			

17. Name and title of individual served <i>Emily Umstead Manager</i>		18. A person of suitable age and discretion then residing in the defendant's usual place of abode. <input type="checkbox"/>	Read Order <input type="checkbox"/>
---	--	---	-------------------------------------

19. Address of where served (complete only if different than shown above) (Street or RFD, Apartment No., City, Boro, Twp., State and ZIP Code) <i>54m e</i>		20. Date of Service <i>10/24/03</i>	21. Time <i>11:12 A</i>
--	--	--	----------------------------

22. ATTEMPTS	Date	Miles	Dep. Int.												

23. Advance Costs	24.	25.	26.	27. Total Costs	28. COST DUE OR REFUND
-------------------	-----	-----	-----	-----------------	------------------------

AFFIRMED and subscribed to before me this <i>27th</i> day of <i>October</i> 20 <i>03</i>	SO ANSWER <i>Jeremy R White</i> By Sheriff/Dep. Sheriff (Please Print or Type) CHARLES R. ANKNEY Signature of Sheriff	Date <i>10/24/03</i>
<i>Christina M Bilby</i> NOTARIAL SEAL NOTARY PUBLIC City of Lock Haven, County of Clinton MY COMMISSION EXPIRES <i>Christina M. Bilby, Notary Public</i>	<i>Charles R. Ankney</i> SHERIFF OF CLINTON COUNTY	Date <i>10/27/03</i>
I ACKNOWLEDGE RECEIPT OF THE SHERIFF'S RETURN SIGNATURE OF AUTHORIZED ISSUING OFFICIALS DATE 1, 2003		39. Date Received

**SHERIFF'S RETURN OF SERVICE**

( ) (1) The within \_\_\_\_\_  
upon \_\_\_\_\_, the within named  
defendant by mailing to \_\_\_\_\_  
by \_\_\_\_\_ mail, return receipt requested, postage  
prepaid, \_\_\_\_\_ on the \_\_\_\_\_,  
a true and attested copy thereof at \_\_\_\_\_

The return receipt signed by \_\_\_\_\_  
defendant on the \_\_\_\_\_ is hereto attached and  
made a part of this return.

( ) (2) Outside the Commonwealth, pursuant to Pa. RCP.405 (c) (1)-(2), by mailing a true and  
attested copy thereof at \_\_\_\_\_

in the following manner:

( ) (a) To the defendant by ( ) registered ( ) certified mail, return receipt requested,  
postage prepaid, addressee only on the \_\_\_\_\_  
said receipt being returned NOT signed by defendant, but with a notation by the  
Postal Authorities that Defendant refused to accept the same. The returned  
receipt and envelope is attached hereto and made part of this return.

And thereafter:

( ) (b) To the defendant by ordinary mail addressed to defendant at same address, with  
the return address of the Sheriff appearing thereon, on the \_\_\_\_\_

I further certify that after fifteen (15) days from the mailing date, I have not  
received said envelope back from the Postal Authorities. A certificate of mailing  
is hereto attached as a proof of mailing.

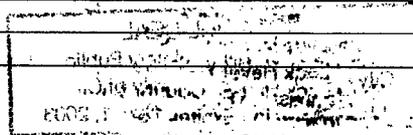
( ) (3) By publication in the Lock Haven Express, a weekly publication of general circulation  
in the County of Clinton, Commonwealth of Pennsylvania, one time with publication  
appearing \_\_\_\_\_

The affidavit from said Lock Haven Express is hereto attached.

( ) (4) By mailing to \_\_\_\_\_  
by \_\_\_\_\_ mail, return receipt requested, postage prepaid,  
\_\_\_\_\_ on the \_\_\_\_\_  
a true and attested copy thereof at \_\_\_\_\_

The \_\_\_\_\_ returned by the Postal  
Authorities marked \_\_\_\_\_  
is hereto attached.

( ) (5) Other \_\_\_\_\_





# Sheriff's Office Clearfield County

OFFICE (814) 765-2641 EXT. 5986  
AFTER 4:00 P.M. (814) 765-1533  
FAX (814) 765-5915

CHESTER A. HAWKINS  
SHERIFF

COURTHOUSE  
1 NORTH SECOND STREET, SUITE 116  
CLEARFIELD, PENNSYLVANIA 16830

ROBERT SNYDER  
CHIEF DEPUTY

CYNTHIA AUGHENBAUGH  
OFFICE MANAGER

MARILYN HAMM  
DEPT. CLERK

PETER F. SMITH  
SOLICITOR

## DEPUTATION

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

PAGE 14685

JUNIATA LAKE PROPERTIES, LLC

TERM & NO. 03-1572-CD

VS

DOCUMENT TO BE SERVED:

STEPHEN POORMAN & COMPANY INC. a/c

COMPLAINT IN EQUITY FOR INJUNCTIVE  
RELIEF AND AN ACCOUNTING

SERVE BY:

11/19/2003

**MAKE REFUND PAYABLE TO:**

MEYER, DARRAGH, BUCKLER, BEBENEK & ECK, Esq.

**SERVE:**

STEPHEN POORMAN & COMPANY, INC. and STEPHEN POORMAN

**ADDRESS:**

143-147 East Main St., Suite 2D, LOCK HAVEN, PA. 17745

Know all men by these presents, that I, CHESTER A. HAWKINS, HIGH SHERIFF OF  
CLEARFIELD COUNTY, State of Pennsylvania, do hereby deputize the SHERIFF OF  
CLINTON COUNTY, Pennsylvania to execute this writ. This  
Deputation being made at the request and risk of the Plaintiff this 21st Day of  
OCTOBER 2003

Respectfully,

CHESTER A. HAWKINS,  
SHERIFF OF CLEARFIELD COUNTY

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

JUNIATA LAKE PROPERTIES, LLC and  
DUBOIS COUNTRY CLUB, LTD,

Plaintiffs,

vs.

STEPHEN POORMAN & COMPANY,  
INC. and STEPHEN POORMAN,

Defendants.

CIVIL DIVISION

No. 03 1572-CD

**NOTICE OF SERVICE OF INJUNCTION  
BOND**

Filed on Behalf of Plaintiffs, Juniata Lake  
Properties, LLC and Dubois Country  
Club, LTD

Counsel of Record for this Party:

BERNARD P. MATTHEWS, JR., ESQ.  
PA. I.D. #54880

MEYER, DARRAGH, BUCKLER,  
BEBENEK & ECK, P.L.L.C.  
Firm No. 198  
114 South Main Street  
Greensburg, PA 15601-3102

Telephone No.: (724) 836-4840  
Fax No.: (724) 836-0532

JURY TRIAL DEMANDED

**FILED** *EW*

DEC 15 2003

*0/11:55/1ms*

William A. Shaw  
Prothonotary

*1 case to Noble*

Delivered By: *ICC to Atty Lee Demosky*  
*7-13-04*

  
Theron G. Noble

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

JUNIATA LAKE PROPERTIES, LLC and  
DUBOIS COUNTRY CLUB, LTD,

Plaintiffs,

vs.

STEPHEN POORMAN & COMPANY,  
INC. and STEPHEN POORMAN,

Defendants.

CIVIL DIVISION

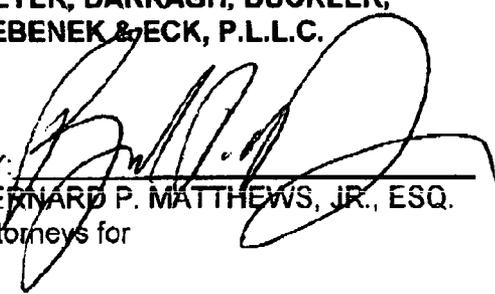
No. 03 1572-CD

**NOTICE OF SERVICE OF INJUNCTION BOND**

**AND NOW** come the plaintiffs, Juniata Lake Properties, LLC and Dubois Country Club, Ltd., by and through their attorneys, **MEYER, DARRAGH, BUCKLER, BEBENEK & ECK, P.L.L.C. and Bernard P. Matthews, Jr.**, and file the following Notice of Service of Injunction Bond, attaching hereto a Letter of Credit issued by CSB Bank securing plaintiff's obligations, if any, as required by the injunction order dated November 24, 2003.

Respectfully submitted,

**MEYER, DARRAGH, BUCKLER,  
BEBENEK & ECK, P.L.L.C.**

BY:   
BERNARD P. MATTHEWS, JR., ESQ.  
Attorneys for



December 15, 2003

The Court of Common Pleas of Clearfield County,  
Pennsylvania Civil Division-Docket No. 03-1572-CD  
Equity-Juniata Lake Properties, LLC, Plaintiff,  
versus Stephen Poorman & Company, Inc.  
and Stephen Poorman, Defendants

Irrevocable Letter of Credit No. 298  
Re: Juniata Lake Properties, LLC  
Amount: \$467,881.82

Gentlemen:

We hereby establish our Irrevocable Letter of Credit in the amount of Four Hundred Sixty-Seven Thousand Eight Hundred Eighty-One and 82/100 Dollars (\$467,881.82) in favor of The Court of Common Pleas of Clearfield County, Pennsylvania Civil Division-Docket No. 03-1572-CD Equity-Juniata Lake Properties, LLC, Plaintiff, versus Stephen Poorman & Company, Inc. and Stephen Poorman, Defendants. We understand that this Irrevocable Letter of Credit is to be used to serve as the Bond requirement pursuant to the injunction issued.

It is understood that this Irrevocable Letter of Credit will be released upon the termination of said requirements as outlined within The Court of Common Pleas of Clearfield County, Pennsylvania Civil Division-Docket No. 03-1572-CD Equity or five years from the date of issuance.

This Letter of Credit may be drawn upon by The Court of Common Pleas of Clearfield County, Pennsylvania Civil Division-Docket No. 03-1572-CD Equity for any part or all of the above stated amount.

All drafts hereunder must be marked "Drawn on CSB Bank Letter of Credit No. 298". All drafts must be drawn on or before the expiration date of December 15, 2008.

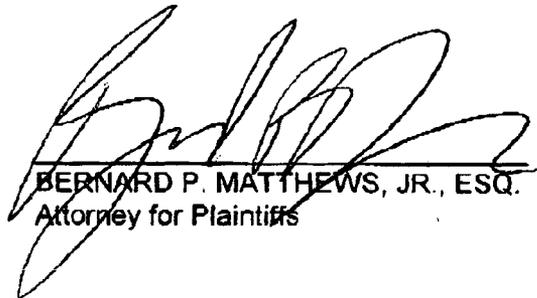
Sincerely,

Carol J. Cossick  
Assistant Vice President  
Commercial Loan Administration

**CERTIFICATE OF SERVICE**

This is to certify that a copy of the within Notice of Service of Injunction Bond has been delivered via facsimile and by First Class United States mail to all counsel of record this 15<sup>th</sup> day of December, 2003, as follows:

Scott C. Etter, Esquire  
Miller, Kistler, Campbell, Miller,  
Williams & Benson, Inc.  
720 South Atherton Street  
State College, PA 16801-4628



BERNARD P. MATTHEWS, JR., ESQ.  
Attorney for Plaintiffs

12/15/03  
10:13 AM  
VIA FACSIMILE  
VIA FIRST CLASS MAIL

CA

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

JUNIATA LAKE PROPERTIES, LLC and  
DUBOIS COUNTRY CLUB, LTD,

CIVIL DIVISION

Plaintiffs,

No. 03-1572-CD

vs.

STEPHEN POORMAN & COMPANY,  
INC. and STEPHEN POORMAN,

Defendants.

NOTICE

**FILED**

DEC 18 2003

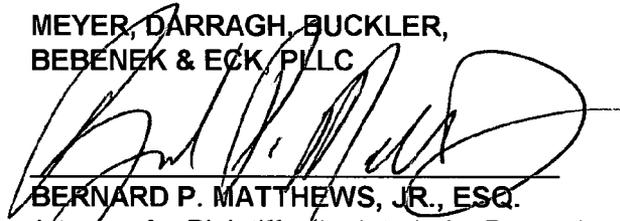
William A. Shaw  
Prothonotary/Clerk of Courts

TO: Scott C. Etter, Esquire  
Miller, Kistler, Campbell, Miller,  
Williams & Benson, Inc.  
720 South Atherton Street  
State College, PA 16801-4628

**TAKE NOTICE** that the within Motion to Approve Bond and for Contempt will be presented on December 17, 2003, before a Judge of the Court of Common Pleas of Clearfield, Pennsylvania.

MEYER, DARRAGH, BUCKLER,  
BEBENEK & ECK, PLLC

By:

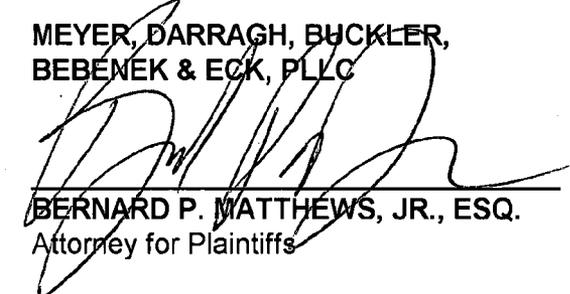


BERNARD P. MATTHEWS, JR., ESQ.  
Attorney for Plaintiffs, Juniata Lake Properties,  
LLC and Dubois Country Club, LTD

I hereby certify that a true and correct copy of the within Motion was forwarded to the above-named via facsimile on the 16th day of December, 2003.

MEYER, DARRAGH, BUCKLER,  
BEBENEK & ECK, PLLC

By:



BERNARD P. MATTHEWS, JR., ESQ.  
Attorney for Plaintiffs

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

JUNIATA LAKE PROPERTIES, LLC and  
DUBOIS COUNTRY CLUB, LTD,

Plaintiffs,

vs.

STEPHEN POORMAN & COMPANY, INC.  
and STEPHEN POORMAN,

Defendants.

CIVIL DIVISION

No.

**MOTION TO APPROVE BOND AND FOR  
CONTEMPT**

Filed on Behalf of Plaintiffs, Juniata Lake  
Properties, LLC and Dubois Country Club,  
LTD

Counsel of Record for this Party:

**BERNARD P. MATTHEWS, JR., ESQ.**  
PA. I.D. #54880

MEYER, DARRAGH, BUCKLER,  
BEBENEK & ECK, P.L.L.C.  
Firm No. 198  
114 South Main Street  
Greensburg, PA 15601-3102

Telephone No.: (724) 836-4840  
Fax No.: (724) 836-0532

JURY TRIAL DEMANDED

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

JUNIATA LAKE PROPERTIES, LLC and  
DUBOIS COUNTRY CLUB, LTD,

Plaintiffs,

vs.

STEPHEN POORMAN & COMPANY,  
INC. and STEPHEN POORMAN,

Defendants.

CIVIL DIVISION

No.

**MOTION TO APPROVE BOND AND FOR CONTEMPT**

**AND NOW** come the plaintiffs, Juniata Lake Properties, LLC and Dubois Country Club, LTD, by and through their attorneys, **MEYER, DARRAGH, BUCKLER, BEBENEK & ECK, P.L.L.C. and Bernard P. Matthews, Jr.**, and respectfully request that this Honorable Court approve the \$467,881.82 Letter of Credit Bond posted by the plaintiffs with the Prothonotary on December 16, 2003, and further find defendants in contempt for failing and/or refusing to comply with this court's injunction order dated November 24, 2003, stating as follows:

1. On November 24, 2003, this court entered its injunction order requiring the defendants to return to the plaintiffs the total sum of \$233,940.91, comprised of \$200,894.81 held in Stephen Poorman & Company's escrow account and \$28,666.21 held in the Sovereign Bank operating account. A true and correct copy of this court's injunction order dated November 24, 2003 is attached hereto as Exhibit "A."

2. The injunction order stated: "Plaintiffs shall post bond in the amount of

\$467,881.82." No specific type of bond was specified by the order.

3. On December 16, 2003, plaintiffs filed with the Prothonotary a "Notice of Service of Injunction Bond" filing and posting therewith a \$467,881.82 Letter of Credit Bond ("LOC"). The LOC is secured by a mortgage on plaintiffs' real estate. A true and correct copy of the LOC posted with the Prothonotary and served on the defendants is attached as Exhibit "B".

4. After serving a copy of the "Notice of Service of Injunction Bond" on defendants, defense counsel informed plaintiffs' counsel via email that defendants deemed the LOC insufficient security and would not return the funds to the plaintiffs as required by the injunction order. See defense counsel's email attached as Exhibit "C".

5. The bond for issuance of a preliminary injunction should be sufficient to cover damages that are reasonably foreseeable. Pleasant Hills Const. Co., Inc. v. Public Auditorium Auth. Of Pittsburgh, 782 A.2d 68 (Pa. Cmwlth. 2001).

6. Pa.R.A.P. 1734(a)(2) authorizes a letter of credit as a means of bond security in an injunction matter when a stay is sought after a hearing on the merits - a much more stringent standard than Pa.R.C.P. 1531(b)(1) which requires that the court bond only damages "sustained by reason of the granting of the injunction."

7. Additionally, letters of credit are acceptable forms of "bonds" in many commercial settings, including the securing of public improvements under the

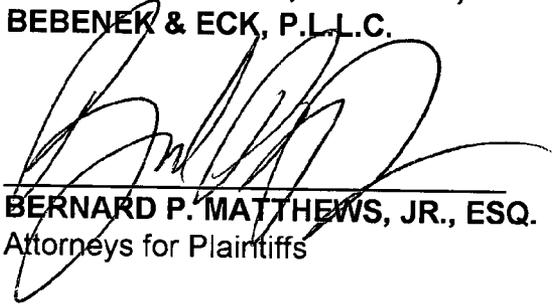
Pennsylvania Municipalities Planning Code. Indeed, the Pennsylvania Municipalities Planning Code, which requires security for the completion of public improvements such as sewers and streets, permits letters of credit as an appropriate form of bonding. See 53 P.S. § 10509(C).

**WHEREFORE**, Juniata Lake Properties, LLC and Dubois Country Club, LTD, respectfully request that this Honorable Court enter an order approving the LOC bond as adequate security for this court's injunction order dated November 24, 2003 and further finding defendants, Stephen Poorman & Company, Inc. and Stephen Poorman, in contempt for failing and refusing to comply with the injunction order, entering such sanctions as the court deems appropriate, including attorney's fees and costs.

Respectfully submitted,

**MEYER, DARRAGH, BUCKLER,  
BEBENEK & ECK, P.L.L.C.**

BY:

  
**BERNARD P. MATTHEWS, JR., ESQ.**  
Attorneys for Plaintiffs

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA  
CIVIL DIVISION

JUNIATA LAKE PROPERTIES LLC : No. 03-1572-CD  
and DUBOIS COUNTRY CLUB, LTD., : Equity  
Plaintiffs :  
: :  
: :  
: :  
: :  
: :  
: :  
: :  
: :

vs.

STEPHEN POORMAN & COMPANY, :  
INC. and STEPHEN POORMAN, :  
Defendants. :  
: :  
: :  
: :  
: :  
: :  
: :  
: :

I hereby certify this to be a true  
and attested copy of the original  
statement filed in this case:

NOV 25 2003

Attest.

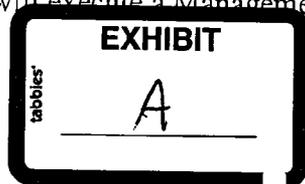
*William L. Shaw*  
Prothonotary/  
Clerk of Courts

OPINION AND ORDER

Plaintiffs, Juniata Lake Properties, LLC ("JLP") and DuBois Country Club, LTD ("DCC"), filed a Complaint in Equity for Injunctive Relief and an Accounting on October 20, 2003. In the Complaint, Plaintiffs allege that Defendants, Stephen Poorman & Company, Inc. ("SP&C") and Stephen Poorman, are improperly withholding and refusing to return certain funds to the Plaintiffs, and seek an injunction requiring the return the funds to Plaintiffs, as well as an accounting of the expenditure of its funds by the Defendants pursuant to Pa. R.C.P. 1530. On October 20, 2003, this Court entered an Order freezing all funds, monies or assets of DCC held or maintained in accounts controlled or possessed by Defendants. Defendants filed preliminary objections to the Complaint on October 28, 2003, and argument on the Motion for Preliminary Injunctive Relief and the Preliminary Objections was held on October 31, 2003. Both parties have submitted briefs, and the matter is now ripe for decision.

**Background**

In their Complaint, Plaintiffs indicate that they are parties to an Operating Agreement dated October 16, 2002, by and among certain individual members (the "Members") pursuant to which JLP, a Pennsylvania limited liability company, was formed. The Operating Agreement provides that JLP will execute a Management Agreement with SP&C, providing for



oversight and development efforts relating to the newly formed DuBois Country Club, Ltd. ("DCC"). The Management Agreement was executed by and between JLP and SP&C on October 22, 2002, and set forth the terms under which SP&C would provide "turnaround management consulting services" to JLP in connection with the operation of the DuBois Country Club facility. On October 4, 2003, JLP assigned its rights under the Management Agreement to DCC, and DCC agreed that it would take no action to terminate the Management Agreement or to change other mutually acceptable terms or conditions contained therein. On April 8, 2003, JLP executed a Guaranty Agreement whereby JLP guaranteed DCC's payment to SPC of any monies due SPC under the Management Agreement.

Defendants' Preliminary Objections to the Complaint assert that this Court lacks subject matter jurisdiction over this proceeding based upon their contention that Plaintiffs' claims arise out of a dispute involving the relationship between these parties as set forth in the Management Agreement. As such, Defendants' argue that Paragraph 9.1 of the Management Agreement ousts this Court of jurisdiction by providing that

The validity and effect of this Agreement shall be determined by references to the laws of the Commonwealth of Pennsylvania and *any dispute relating hereto shall be heard in the Clinton County Court of Common Pleas* for the Commonwealth of Pennsylvania.

In response, Plaintiffs argue that their disputes arise under the Operating Agreement and that they have alleged no claims under the Management Agreement. Plaintiffs assert that Defendants are withholding investor funds as "leverage" to satisfy a separate contractual claim relating to management fees, which at this point has not been raised.<sup>1</sup>

Supporting Plaintiffs' argument that the funds held by Defendants are the property of JLP, Paragraph 8.01 of the Operating Agreement, provides that

---

<sup>1</sup> At this point in time, Defendants have not filed suit or asserted a counterclaim for fees allegedly due and owing under the Management Agreement.

All funds of the Company shall be deposited in its name in such checking account or other accounts in such banking institutions as the Members shall designate . . . Initially, and for such time as may be determined by the Members, Company monies shall be deposited in a Merrill Lynch WCMA account, or in an interest bearing account with a local financial institution. Members' contributions, loan proceeds and income shall be deposited in the aforesaid account and all expenses shall be paid there from.

Plaintiffs further allege that consistent with this provision, a report from SP&C's accounting department dated September 8, 2003, indicates that \$590,000 in member capital contributions was transmitted to SP&C for deposit in a JLP account. Thereafter, on October 9, 2003, the Members of JLP held a special meeting and unanimously voted to amend Section 5.01 and 8.01 of the Operating Agreement to terminate the Management Agreement with SP&C; to provide that SP&C was no longer authorized to expend its funds; and to direct that SP&C "immediately transfer and/or return to the Company any funds, monies or assets owned by the Company or Dubois Country Club, LTD, which are maintained and/or held in accounts under the possession of Stephen Poorman & Company, Inc." Upon receipt of this resolution, SP&C refused to return the funds, and forwarded the following written response on October 13, 2003:

After consultation with our attorney, we are withholding (i) \$137,812.39 for the amount due under the Management Agreement (ii)\$30,278.24 for my 3.85% equity ownership in the Limited Liability Company and (iii) \$32,000.00 for day-to-day management services from October 1, 2002 through and including September 30, 2003.

Juniata Lake Properties, LLC currently has \$200,894.81 . . . in our escrow account and \$28,666.21 in the Sovereign operating account; DuBois Country Club, LTD currently has \$4,379.89 in the CSB Bank checking account. Thus we will be returning \$33,850.28. You may send an accountant to our office to review the accounts or any other documents to verify the above sums.

SP&C sent two checks on or about October 14, 2003 in the amounts of \$28,666.21 and \$804.18, both of which contained restrictive endorsements providing that endorsement of the checks represents an acknowledgement that SP&C had returned all funds to JLP and DCC

“from the beginning of time to the date hereof.” No other funds have been returned to Plaintiffs.

*I. Preliminary Objections*

In reviewing preliminary objections, this Court must accept as true all material facts pleaded in Plaintiffs’ Complaint and all reasonable inferences that flow from those material facts. Powell v. Drumheller, 653 A.2d 619, 621 (Pa. 1995). Preliminary objections may be sustained only if it is clear and free from doubt that the Plaintiffs cannot prove facts legally sufficient to establish their claim for relief. Pennsylvania AFL-CIO v. Commonwealth, 757 A.2d 917, 920 (Pa. 2000). Any doubts must be resolved in favor of the Plaintiffs. Powell, 653 A.2d at 621.

Accepting as true all material facts as pled in the Complaint, the Court finds that Plaintiffs have set forth a claim arising under the terms of the Operating Agreement. Plaintiffs aver that the Members made capital contributions to JLP in accordance with the Operating Agreement; that such contributions were forwarded to SP&C for deposit in an account held in JLP’s name as provided in the Operating Agreement; that pursuant to a resolution passed by a majority of the Members, JLP sought to have such funds returned to JLP and to terminate Mr. Poorman’s rights to use such funds, as had been provided for in the Operating Agreement; and that Mr. Poorman and/or SP&C has refused to return such funds to JLP. There is no provision in the Operating Agreement for the withholding or withdrawal of these contributions by SP&C or any other party. Indeed, Paragraph 3.07 of the Operating Agreement provides that “[n]o Member shall withdraw any portion of the initial capital of the Company without the express written consent of the other Members.” Additionally, the Operating Agreement provided Mr.

Poorman with only limited access to JLP's funds.<sup>2</sup> Moreover, as amended by a majority of the Members (as required by Paragraph 9.12), all withdrawals are to be made upon checks signed by a member of the Management Committee, and all funds held or maintained in any account owned or controlled by SP&C are to be returned for deposit in an account designated by the Management Committee, including members' contributions. Mr. Poorman, as a member of JLP, is likewise bound by this resolution amending the Operating Agreement. Neither Mr. Poorman, as a Member of JLP, nor SPC<sup>3</sup>, has any right, under the terms of the Operating Agreement, to hold these funds for payment of fees incurred under the Management Agreement.<sup>4</sup> Based upon these allegations, this Court finds that Plaintiffs have pled a claim under the Operating Agreement that Defendants are wrongfully withholding funds owned by JLP. As such, the forum selection clause contained in the Management Agreement is not relevant to the present claim, and Defendants' preliminary objection must be dismissed.

## *II. Motion for Preliminary Injunctive Relief*

Injunctive relief is considered an extraordinary remedy granted only when the right to relief is clear. DiLucente Corp. v. Pennsylvania Roofing Co., Inc., 655 A.2d 1035 (Pa. Super.

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<sup>2</sup> For example, Paragraph 8.01, prior to its amendment, provided that all funds of JLP were to be deposited in an account in JLP's name and that Mr. Poorman could only make withdrawals in excess of \$5,000 for "major capital purchases or non-recurring expenses" with the signature or written approval of two Members, unless such checks were written during the development and construction phase of the facility and related to a contract for work approved by the President or Secretary-Treasurer.

<sup>3</sup> While SPC is not a Member under the terms of the Operating Agreement, the letter of October 10, 2003, was written by Mr. Poorman on SP&C letterhead, and provided responses to the resolution passed by JLP relating to amendment to the Operating Agreement. In that letter, Mr. Poorman, acting on behalf of SP&C indicates that "we will immediately cease representation of both entities;" and "we will immediately transfer all monies to you except monies due and owing *our company*;" and went on to indicate that funds were being withheld for payment of monies allegedly due under the Management Agreement. This correspondence clearly indicates that Mr. Poorman himself obfuscated the obligations of SP&C with respect to the Operating Agreement and Management Agreement.

<sup>4</sup> Moreover, while Defendants' correctly point out that the Operating Agreement provides that JLP will execute a management agreement with SP&C, the Operating Agreement was executed one week prior to the execution of the Management Agreement and there is no language in the Operating Agreement incorporating by reference or otherwise the terms of the Management Agreement. Additionally, as noted herein, at the present time, Defendants have not raised a claim under the Management Agreement for unpaid fees.

1995). The appropriate scope of an injunction must “be determined in the first place by the trial court based upon its perception of the needs of the plaintiff as balanced against the effect on the defendant.” Den-Tal-Ez, Inc. v. Siemens Capital Corp., 566 A.2d 1214, 1232 (Pa. Super. 1989). A party seeking injunctive relief must establish

(1) that relief is necessary to prevent immediate and irreparable harm which cannot be compensated by damages; (2) that greater injury will occur from refusing the injunction than from granting it; (3) that the injunction will restore the parties to the status quo as it existed immediately before the alleged wrongful conduct; (4) that the alleged wrong is manifest, and the injunction is reasonably suited to abate it; and (5) that the plaintiff’s right to relief is clear.

Santoro v. Morse, 781 A.2d 1220, 1229 (Pa. Super. 2001).

Additionally, a mandatory preliminary injunction, as requested by Plaintiffs herein, serves to compel a defendant to perform an act rather than merely requiring that the defendant refrain from acting. Roberts v. Board of Directors of the School District of Scranton, 341 A.2d 475, 478 (Pa. 1975). However, the Pennsylvania Supreme Court has directed that such injunctions should issue “only in rare cases and certainly more sparingly than one which is merely prohibitory.” Id. Finally, in a case such as this, Rule 1531(e) of the Pennsylvania Rules of Civil Procedure applicable to equity actions provides that following a preliminary hearing, a court must enter an order dissolving, continuing or modifying a previously entered injunction.

In their Complaint, Plaintiffs seek injunctive relief directing Mr. Poorman, SP&C and their agents to immediately transfer and/or return to the Plaintiffs any funds, monies or assets owned by the Plaintiffs that are allegedly being wrongfully withheld. Plaintiffs assert that they have satisfied their burden in seeking injunctive relief. First, Plaintiffs assert that injunctive relief is necessary to prevent immediate and irreparable harm that cannot be compensated by damages because Defendants refuse to return Plaintiffs’ funds that are needed to meet past and continuing operating expenses. Without access to such funds, Plaintiffs assert that they may

need to seek protection under the bankruptcy code such that greater injury will occur from refusing the injunction than from granting it. Next, Plaintiffs allege that the injunction will restore the status quo because the funds are owned by Plaintiffs and Defendants have unilaterally determined to withhold the funds; that this is a manifest wrong under the Operating Agreement; and that the injunction is reasonably suited to abate this wrong. Further, Plaintiffs note that if Defendants believe that they have a claim under or relating to the Management Agreement, they can pursue these separate claims through litigation against Plaintiffs. Finally, Plaintiffs argue that their right to relief is clear and that the funds being withheld by Defendants are owned by Plaintiffs and must be returned.

Defendants take issue with Plaintiffs' contention that they are suffering immediate and irreparable harm, arguing that the witness presenting the testimony regarding a profit and loss statement for October 2003 was not competent to testify as to such statement, and further that the projected costs over a six month time frame do not constitute immediate harm. In sum, Defendants contend that Plaintiffs have not established why the money must be released to them right now and what calamities will befall them if it is not released.

Initially, the Court finds merit to Defendants' objection as to the competency of Plaintiffs' only witness (Mr. Vernon L. Shaffer, Jr.) to testify as to the profit and loss statement, based upon the fact that Mr. Shaffer is not a CPA, an accountant, a member of the board or an officer of DCC. However, based upon Mr. Shaffer's status as a Member of JLP, the Court finds that his general testimony regarding DCC's financial ability to meet its obligations as they come due, as well as his testimony as to the obligations upon which DCC will default, to be credible. Additionally, it serves no purpose to require that Plaintiffs wait until actual defaults occur before seeking this Court's intervention. As averred in the Complaint, Defendants'

refusal to allow Plaintiffs' access to their own funds, which under the terms of the Operating Agreement were to be held in JLP's name, is resulting in immediate and irreparable harm to Plaintiffs based upon their inability to meet current expenses. While the Defendants may have a claim for payment of certain management fees by Plaintiffs, this claim has not yet been raised or otherwise proven in the context of this litigation. As such, there is insufficient evidence from which this Court could conclude that SP&C is entitled to place a "hold" on JLP's assets. In sum, this Court finds that Plaintiffs' have established the prerequisites to the issuance of a preliminary injunction.

WHEREFORE, the Court enters the following Order:

O R D E R

AND NOW this 24<sup>th</sup> day of November, 2003, upon consideration of the foregoing, it is hereby Ordered, Adjudged and Decreed that Defendants, Stephen Poorman & Company, Inc.'s and Stephen Poorman's Preliminary Objections be and are hereby DISMISSED.

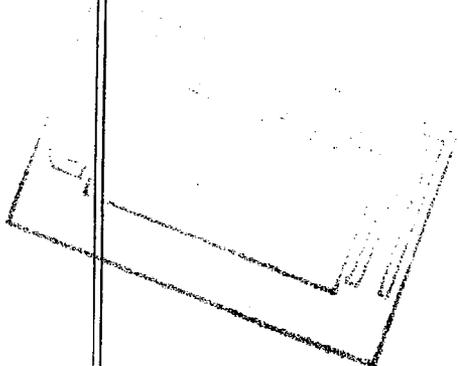
FURTHER, it is hereby Ordered that the Motion for Preliminary or Special Injunction of Plaintiffs, Juniata Lake Properties, LLC and DuBois Country Club, LTD, be and is hereby GRANTED. Defendants Stephen Poorman & Company, Inc. and Stephen Poorman, are hereby enjoined and directed to immediately transfer to Plaintiffs all funds, monies, or assets owned by Plaintiffs and held or maintained in accounts controlled or possessed by Defendants, including but not limited to the sum of \$233,940.91, comprised of \$200,894.81 held in Defendants' escrow account; \$28,666.21 held in a Sovereign Bank operating account; and

\$4,379.89 held in a CSB Bank checking account (all as identified in the October 13, 2003 letter from Mr. Poorman to Mr. Scott Moore, Exhibit E to Plaintiffs' Complaint in Equity). Plaintiffs shall post bond in the amount of \$467,881.82.

By the Court,

/s/ JOHN K. REILLY, JR.

John K. Reilly, Jr.,  
President Judge





December 15, 2003

The Court of Common Pleas of Clearfield County,  
Pennsylvania Civil Division-Docket No. 03-1572-CD  
Equity-Juniata Lake Properties, LLC, Plaintiff,  
versus Stephen Poorman & Company, Inc.  
and Stephen Poorman, Defendants

Irrevocable Letter of Credit No. 298  
Re: Juniata Lake Properties, LLC  
Amount: \$467,881.82

Gentlemen:

We hereby establish our Irrevocable Letter of Credit in the amount of Four Hundred Sixty-Seven Thousand Eight Hundred Eighty-One and 82/100 Dollars (\$467,881.82) in favor of The Court of Common Pleas of Clearfield County, Pennsylvania Civil Division-Docket No. 03-1572-CD Equity-Juniata Lake Properties, LLC, Plaintiff, versus Stephen Poorman & Company, Inc. and Stephen Poorman, Defendants. We understand that this Irrevocable Letter of Credit is to be used to serve as the Bond requirement pursuant to the injunction issued.

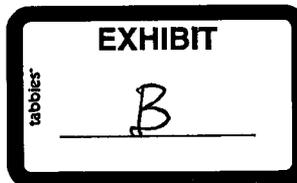
It is understood that this Irrevocable Letter of Credit will be released upon the termination of said requirements as outlined within The Court of Common Pleas of Clearfield County, Pennsylvania Civil Division-Docket No. 03-1572-CD Equity or five years from the date of issuance.

This Letter of Credit may be drawn upon by The Court of Common Pleas of Clearfield County, Pennsylvania Civil Division-Docket No. 03-1572-CD Equity for any part or all of the above stated amount.

All drafts hereunder must be marked "Drawn on CSB Bank Letter of Credit No. 298". All drafts must be drawn on or before the expiration date of December 15, 2008.

Sincerely,

Carol J. Cossick  
Assistant Vice President  
Commercial Loan Administration



**From:** "Scott C. Etter, Esquire" <setter@mkclaw.com>  
**To:** "Matthews Bernard" <Bmatthews@mdbbe.com>  
**Date:** 12/15/03 4:39PM  
**Subject:** Poorman

December 15, 2003

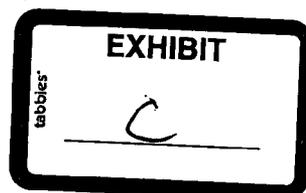
Dear Bernie:

I just received a copy of your facsimile to my client.

As an initial matter, I would ask that you limit your communications on this subject to me, and that you not send documents to my client or my client's bank.

Second, the Order states simply that "Plaintiffs shall post bond in the amount of \$467,881.82." It does not state that in lieu thereof Plaintiffs may obtain an irrevocable letter of credit that is to be used as a bond. I do not believe that this is a meaningless distinction. Among other reservations that I have, I believe that the letter of credit is meaningless in a bankruptcy. In open court and in Judge Reilly's chambers you repeatedly stated that bankruptcy was a very real possibility. Accordingly, unless or until Judge Reilly amends the Order, or that he otherwise directs me to direct my client to release the funds, my client will not be doing so unless a bond in the stated amount is obtained.

Scott C. Etter, Esquire  
MILLER, KISTLER, CAMPBELL,  
MILLER, WILLIAMS & BENSON, INC.  
720 South Atherton Street, Suite 201  
State College, PA 16801  
TEL: (814) 234-1500  
FAX: (814) 234-1549  
setter@mkclaw.com



JUNIATA LAKE PROPERTIES, LLC, : IN THE COURT OF COMMON PLEAS OF  
and DUBOIS COUNTRY CLUB, LTD., : CLEARFIELD COUNTY, PENNSYLVANIA  
: CIVIL ACTION - LAW

Plaintiffs :

vs. :

No. 03 - 1572 - CD

STEPHEN POORMAN & COMPANY, :  
INC. and STEPHEN POORMAN, :

ANSWER TO MOTION TO APPROVE BOND  
AND FOR CONTEMPT AND NEW MATTER

Defendants :

Filed on behalf of: Defendants,  
Stephen Poorman & Company, Inc.  
and Stephen Poorman

COUNSEL OF RECORD FOR PARTY:

Scott C. Etter, Esquire  
Stacy Parks Miller

MILLER, KISTLER, CAMPBELL,  
MILLER, WILLIAMS & BENSON, INC.  
720 South Atherton Street  
State College, PA 16801  
(814) 234-1500

**FILED**

**DEC 19 2003**

William A. Shaw  
Prothonotary/Clerk of Courts

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA  
CIVIL ACTION - LAW

JUNIATA LAKE PROPERTIES, LLC :  
and DUBOIS COUNTRY CLUB, LTD., :

Plaintiffs, :

vs. :

No. 03-1572-CD

STEPHEN POORMAN & COMPANY, :  
INC. and STEPHEN POORMAN, :

Defendants, :

**ORDER**

**AND NOW**, to-wit, this \_\_\_\_\_ day of \_\_\_\_\_, 2003, upon consideration of the Motion to Approve Bond and for Contempt, the Briefs filed in support and opposed thereof, and oral argument, the Motion is hereby **DENIED**, and it is hereby **ORDERED, ADJUDGED, and DECREED** that Plaintiffs, Juniata Lake Properties, LLC and DuBois Country Club, Ltd., shall post a surety bond in the amount of \$467,881.82.

**BY THE COURT:**

---

P.J.

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA  
CIVIL ACTION - LAW

JUNIATA LAKE PROPERTIES, LLC :  
and DUBOIS COUNTRY CLUB, LTD., :

Plaintiffs, :

vs. :

No. 03-1572-CD

STEPHEN POORMAN & COMPANY, :  
INC. and STEPHEN POORMAN, :

Defendants, :

**NOTICE TO PLEAD**

TO: Plaintiffs, Juniata Lake Properties, LLC and  
Dubois Country Club, Ltd.  
c/o Bernard P. Matthews, Jr., Esquire  
Meyer, Darragh, Buckler,  
Bebenek & Eck, P.L.L.C.  
114 South Main Street  
Greensburg, PA 15601-3102

You are hereby notified to file a written response to the  
enclosed New Matter within twenty (20) days from service hereof or  
a judgment may be entered against you.



Scott C. Etter, Esquire  
Stacy Parks Miller, Esquire

MILLER, KISTLER, CAMPBELL,  
MILLER, WILLIAMS & BENSON, INC.  
720 South Atherton Street  
State College, PA 16801  
(814) 234-1500

Counsel for Defendants

Dated: December 18, 2003

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA  
CIVIL ACTION - LAW

JUNIATA LAKE PROPERTIES, LLC :  
and DUBOIS COUNTRY CLUB, LTD., :  
:  
Plaintiffs, :  
:  
vs. : No. 03-1572-CD  
:  
STEPHEN POORMAN & COMPANY, :  
INC. and STEPHEN POORMAN, :  
:  
Defendants, :

**ANSWER AND NEW MATTER**

*NOW COME* Defendants, Stephen Poorman & Company, Inc. and Stephen Poorman ("Defendants"), by and through their attorneys, Scott C. Etter, Esquire, Stacy Parks Miller, Esquire, and Miller, Kistler, Campbell, Miller, Williams & Benson, Inc., and files the following Answer to Plaintiffs' Motion to Approve Bond and for Contempt:

**ANSWER**

1. It is admitted that the Court's November 24, 2003, in general, required Defendants to return a sum certain to Plaintiffs. It is denied that it was the sole requirement of the Order. To the contrary, the Order contained a condition, which Defendants believe is a condition precedent to their obligation, namely that Plaintiffs "post a bond" in twice the amount that Defendants are required to return. Based upon information and belief, as of the

date appearing below, Defendants aver that Plaintiffs have yet to satisfy this condition precedent.

2. The Order is a written document and as such speaks for itself. It is admitted, however, that the Order specifies a bond, not an "Irrevocable Letter of Credit" which "is to be used to serve as the Bond requirement ..."

3. Plaintiffs have so informed Defendants. Defendants have not done any independent investigation, but has not reason to doubt Plaintiffs' representation.

4. Defendants have refused to return the money at this time for the reasons set forth more fully in Exhibit C, namely the Order provides for a "bond" not for an "Irrevocable Letter of Credit" which "is to be used to serve as the Bond requirement ...", **and of considerably more importance**, Defendants' legitimate concern that the an "Irrevocable Letter of Credit" which "is to be used to serve as the Bond requirement ..." will be meaningless in a bankruptcy. As the Court is well aware, counsel for Plaintiffs, both in open Court and in discussions in chambers, **repeatedly** stated that bankruptcy was a very real possibility even if the money were returned. In a bankruptcy situation, this Court may lose jurisdiction, and the security may vanish, or at a minimum, be subject to the rules of bankruptcy court.

5. The reference is a conclusion of law to which no response is required. To the extent that an answer is deemed to be appropriate, Defendants contend that the cited case is inapposite for the reasons set forth more fully in the preceding paragraph.

6. Defendants do not deny that the rules of civil and appellate procedure, and statutes, provide for a variety of ways in which something may be secured. However, Defendants contend that they are inapposite for the reasons set forth more fully in Paragraph 4. Moreover, the Order did not state, by way of example, a "Bond, or such other security as may be acceptable pursuant to the rules of civil and appellate procedure, or statutes."

7. Defendants incorporate by reference their answer to Paragraph 6 as if it had been set forth at length herein.

## **NEW MATTER**

### **Motion for Contempt**

8. Defendant incorporates by reference its answers to Paragraphs 1 through and including 7 as if each had been set forth at length herein.

9. This Court's Order contained a condition precedent to Defendants' obligation, namely that Plaintiffs "post a bond" in twice the amount that Defendants are required to return.

10. Despite this clear language, Plaintiff presented Defendants with a "Letter of Credit" secured by a Mortgage instead.

11. Defendants responded that they could not in good faith accept a security that will become essentially worthless if bankruptcy is filed, as was virtually predicted by Plaintiff's counsel repeatedly to the Court.

12. Defendants are fully prepared to honor the Court's Order as soon as Plaintiffs fulfill their duty of posting a bond.

13. Defendants have followed the Court's Order specifically while Plaintiff has opted to substitute its interpretation for an otherwise patently clear court order.

14. Plaintiffs' Motion to Approve Bond and Motion for Contempt have required these Defendants to expend unnecessary time and resources to respond, including this written response and a future court appearance.

15. Plaintiff is the only party in violation of the Court's Order and Plaintiff's filing of a Motion for Contempt only serves to needlessly increase the cost of litigation.

**WHEREFORE,** Defendants respectfully request that Plaintiffs' Motion be Denied, Plaintiffs be held in Contempt and Ordered to pay counsel fees for Defendants' time in responding to these pleading

and that Plaintiffs be required to post a bond in the stated amount pursuant to the original Order.

A handwritten signature in black ink, appearing to read "Stacy Parks-Miller", is written over a horizontal line.

Scott C. Etter, Esquire  
Stacy Parks-Miller, Esquire

MILLER, KISTLER, CAMPBELL,  
MILLER, WILLIAMS & BENSON, INC.  
720 South Atherton Street  
State College, PA 16801-4628  
(814) 234-1500

Attorneys for Defendants

Dated: December 18, 2003

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA  
CIVIL ACTION - LAW

JUNIATA LAKE PROPERTIES, LLC :  
and DUBOIS COUNTRY CLUB, LTD., :  
:  
Plaintiffs, :  
:  
vs. : No. 03-1572-CD  
:  
STEPHEN POORMAN & COMPANY, :  
INC. and STEPHEN POORMAN, :  
:  
Defendants, :

**CERTIFICATE OF SERVICE**

I, Stacy Parks Miller, Esquire, of Miller, Kistler, Campbell,  
Miller, Williams & Benson, Inc., do hereby certify that I have  
mailed (and sent via facsimile) a true and correct copy of the  
foregoing Answer and New Matter in the above captioned matter to:

Bernard P. Matthews, Jr., Esquire  
Meyer, Darragh, Buckler,  
Bebenek & Eck, P.L.L.C.  
114 South Main Street  
Greensburg, PA 15601-3102  
FAX: (724) 836-0532

  
Stacy Parks Miller, Esquire

Dated: December 18, 2003

FILED No cc

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William A. Shaw

Prothonotary/Clerk of Courts

*[Handwritten signature]*

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

JUNIATA LAKE PROPERTIES, LLC and  
DUBOIS COUNTRY CLUB, LTD,

Plaintiffs,

vs.

STEPHEN POORMAN & COMPANY,  
INC. and STEPHEN POORMAN,

Defendants.

CIVIL DIVISION

No. 03 1572-CD

**REPLY TO NEW MATTER ASSERTED  
IN RESPONSE TO MOTION FOR  
CONTEMPT**

Filed on Behalf of Plaintiffs, Juniata Lake  
Properties, LLC and Dubois Country  
Club, LTD

Counsel of Record for this Party:

BERNARD P. MATTHEWS, JR., ESQ.  
PA. I.D. #54880

MEYER, DARRAGH, BUCKLER,  
BEBENEK & ECK, P.L.L.C.  
Firm No. 198  
114 South Main Street  
Greensburg, PA 15601-3102

Telephone No.: (724) 836-4840  
Fax No.: (724) 836-0532

JURY TRIAL DEMANDED

**FILED**

DEC 26 2003  
m/ll: 20/03  
William A. Shaw  
Prothonotary/Clerk of Courts  
COPY JKR, JR. P.S.



IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

JUNIATA LAKE PROPERTIES, LLC and  
DUBOIS COUNTRY CLUB, LTD,

Plaintiffs,

vs.

STEPHEN POORMAN & COMPANY,  
INC. and STEPHEN POORMAN,

Defendants.

CIVIL DIVISION

No. 03 1572-CD

**REPLY TO NEW MATTER ASSERTED IN RESPONSE  
TO MOTION FOR CONTEMPT**

**AND NOW** come the plaintiffs, Juniata Lake Properties, LLC and Dubois Country Club, LTD, by and through their attorneys, **MEYER, DARRAGH, BUCKLER, BEBENEK & ECK, P.L.L.C. and Bernard P. Matthews, Jr.**, and file the following Reply to New Matter asserted in response to Motion for Contempt, stating as follows:

8. In response to the allegations of paragraph eight, plaintiffs adopt and incorporate by reference the allegations of their motion to approve bond and for contempt as if the same were set forth fully here and at length.

9. Admitted, except it is further averred that this court's injunction order did not specify that the "bond" had to be a surety bond as demanded by the defendants. Moreover, it is believed and therefore averred that a surety bond would provide no greater protection to the defendants than a letter of credit pledged to the Court of Common Pleas

of Clearfield County, yet it is believed that the premium for a surety bond would be excessive, perhaps as much as 10% of the \$467,881.82 required to be bonded. Therefore, there is no reason for the court or defense counsel to insist on a surety bond other than defendants' continuing strategy to push the plaintiffs toward financial ruin and leverage a settlement from the plaintiffs by withholding plaintiffs' money. Defendants' position that the letter of credit does not fulfill the requirements of the court's injunction order which requires only the posting of a "bond" is frivolous and lacking any merit whatsoever, such that defendants should be held in contempt.

10. It is admitted that plaintiffs posted a letter of credit bond with the court, secured by a mortgage. It is averred that the bond fulfills the requirements of this court's injunction order.

11. While it is not denied that defendants have asserted their "concerns" over the letter of credit in a bankruptcy proceeding, these concerns are baseless and do not serve as a sufficient legal reason for failing or refusing to comply with the court's injunction order. First, plaintiffs continue to have insufficient funds to pay their bills when due solely because the defendants continue to withhold plaintiffs' money and have failed and/or refused to comply with the court's injunction order. Plaintiffs are using every lawful tactic available to them to hold off creditors and avoid bankruptcy. To this point, plaintiffs have been successful. However, it must be emphasized again that bankruptcy is only a possibility because the defendants have adopted a strategy of pushing the plaintiffs toward financial ruin in order to leverage a settlement from the plaintiffs by withholding plaintiffs'

money. If the plaintiffs' money is returned as ordered by the court, then plaintiffs will have sufficient funds to pay their bills and concerns over bankruptcy are virtually eliminated. Ironically, defendants' conduct is responsible for the very "bankruptcy" concerns which defendants now hypocritically cite as a basis for objecting to the letter of credit bond. Second, defendants' concerns that the letter of credit would be "essentially worthless" in a bankruptcy proceeding are without legal merit. The bond for issuance of a preliminary injunction should only be sufficient to cover damages that are reasonably foreseeable. Pleasant Hills Const. Co., Inc. v. Public Auditorium Auth. Of Pittsburgh, 782 A.2d 68 (Pa. Cmwlth. 2001). Pa. R.A.P. 1734(a)(2) authorizes a letter of credit as a means of bond security in an injunction matter when a stay is sought after a hearing on the merits—a much more stringent standard than Pa. R.C.P. 1531(b)(1) which requires that the court bond only damages "sustained by reason of the granting of the injunction." Additionally, letters of credit are acceptable forms of "bonds" in many commercial settings, including the securing of public improvements under the Pennsylvania Municipalities Planning Code. Indeed, the Pennsylvania Municipalities Planning Code, which requires security for the completion of public improvements such as sewers and streets, permits letters of credit as an appropriate form of bonding. See 53 P.S. § 10509(C). Defendants have cited no legal authority whatsoever for their argument that the letter of credit will be "essentially worthless" in a bankruptcy. This court's bonding requirement exceeds the amount claimed by the defendant under the management agreement (\$137,812.39) by nearly \$330,000.00. Indeed, despite all of defendants' self-serving protestations, defendants still have not filed suit for alleged fees under the management agreement. Any obligation which defendants

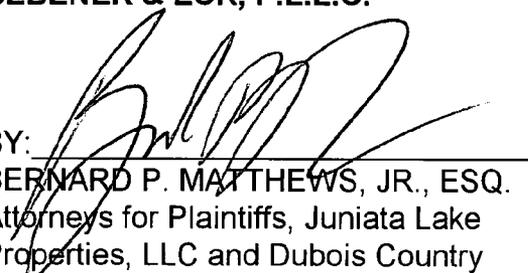
claim is owed is more than adequately bonded by the posted letter of credit. This Court should find the defendants to be in contempt.

12. Denied based on defendants' non-compliance to date.
13. Denied for the reasons set forth in paragraph 11 above.
14. Denied for the reasons set forth in paragraph 11 above.
15. Denied for the reasons set forth in paragraph 11 above.

**WHEREFORE**, Juniata Lake Properties, LLC and Dubois Country Club, LTD, respectfully request that this Honorable Court enter an order approving the LOC bond as adequate security for this court's injunction order dated November 24, 2003 and, further, finding defendants, Stephen Poorman & Company, Inc. and Stephen Poorman, in contempt for failing and refusing to comply with the injunction order, entering such sanctions as the court deems appropriate, including attorney's fees and costs.

Respectfully submitted,

**MEYER, DARRAGH, BUCKLER,  
BEBENEK & ECK, P.L.L.C.**

BY:   
BERNARD P. MATTHEWS, JR., ESQ.  
Attorneys for Plaintiffs, Juniata Lake  
Properties, LLC and Dubois Country  
Club, LTD

**JURY TRIAL DEMANDED**

**VERIFIED STATEMENT**

I, BERNARD P. MATTHEWS, JR., ESQUIRE, being the attorney for plaintiffs herein, am duly authorized to make this verified statement on their behalf as the verified statement of plaintiffs cannot be obtained in time for the filing of this pleading. I hereby verify that the statements set forth in the within Reply to New Matter Asserted in Response to Motion for Contempt are true and correct to the best of my knowledge, information and belief.

I understand that false statements made herein are subject to the penalties of 18 Pa. C.S. Section 4904, relating to unsworn falsification to authorities.

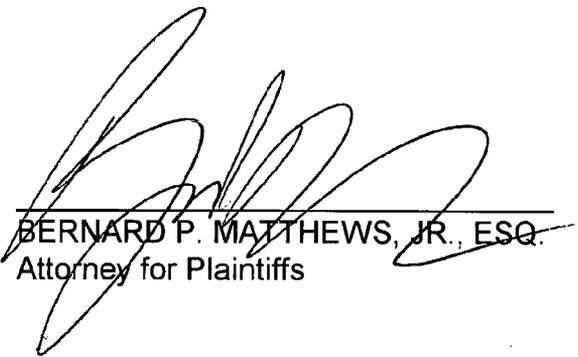
  
BERNARD P. MATTHEWS, JR., ESQUIRE

Date: 12/23/03

**CERTIFICATE OF SERVICE**

This is to certify that a copy of the within Reply to New Matter Asserted in Response to Motion for Contempt has been delivered via First Class United States mail to all counsel of record this 23<sup>rd</sup> day of December, 2003, as follows:

Scott C. Etter, Esquire  
Miller, Kistler, Campbell, Miller,  
Williams & Benson, Inc.  
720 South Atherton Street  
State College, PA 16801-4628



BERNARD P. MATTHEWS, JR., ESQ.  
Attorney for Plaintiffs

CA

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,  
PENNSYLVANIA  
CIVIL DIVISION

JUNIATA LAKE PROPERTIES, :  
LLC and DUBOIS COUNTRY CLUB :

vs. :

No. 03-1572-CD

STEPHEN POORMAN & COMPANY, :  
INC. and STEPHEN POORMAN :

**ORDER**

AND NOW, this 24 day of February, 2004, it is the ORDER of the Court that a telephonic conference call regarding the Bond Issue in the above matter has been scheduled for Wednesday, February 25, 2004 at 11:00 A.M. at the initiation of Bernard J. Matthews, Jr., Esquire.

BY THE COURT:

  
FREDRIC J. AMMERMAN  
President Judge

**FILED**

**FEB 24 2004**

William A. Shaw  
Prothonotary/Clerk of Courts

FILED

of 9:16 AM  
FEB 24 2004

ICE

Atty Northcross

Atty Eller

William A. Shaw  
Prothonotary/Clerk of Courts

ICE

CA

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

JUNIATA LAKE PROPERTIES, LLC and  
DUBOIS COUNTRY CLUB, LTD,

CIVIL DIVISION

No. 03 - 1572 - CD

Plaintiffs,

vs.

STEPHEN POORMAN & COMPANY,  
INC. and STEPHEN POORMAN,

Defendants.

FILED

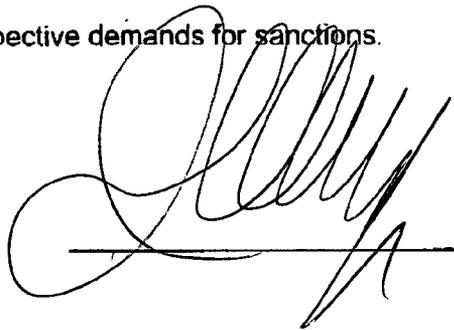
FEB 26 2004

William A. Shaw  
Prothonotary/Clerk of Courts

ORDER OF COURT

AND NOW to wit, this 26 day of Feb, 2004, upon consideration of Plaintiffs' Motion to Approve the Four Hundred Sixty-Seven Thousand Eight Hundred Eighty-One and 82/100 (\$467,881.82) Dollar Letter of Credit Bond posted by the plaintiffs with the Prothonotary on December 16, 2003, and after considering the arguments of counsel and reconsidering the bond requirement imposed by the court, **IT IS HEREBY ORDERED, ADJUDGED AND DECREED** that the plaintiffs shall post a surety bond in the amount of One Hundred Thirty-Seven Thousand and 00/100 (\$137,000.00) Dollars pursuant to Pa. R.C.P. 1531(b)(1), naming the Commonwealth of Pennsylvania and Court of Common Pleas of Clearfield County as obligees. The court is advised that the premium for said bond is Three (3%) Percent of One Hundred Thirty-Seven Thousand and 00/100 (\$137,000.00) Dollars. Fifty (50%) Percent of the cost of the premium for said surety bond shall be paid by the defendants, and Fifty (50%) Percent shall be paid by the plaintiffs. In the event that the defendants file an action against the plaintiffs to recover damages

resulting from the termination of the management agreement between the parties, and are successful in said action, defendants may recover as an item of damages in said action the defendants' cost of the premium for the said \$137,000 surety bond. The \$137,000 surety bond shall provide in accordance with Pa. R.C.P. 1531(b)(1) that the condition of the bond is that if the injunction granted by the Court of Common Pleas of Clearfield County dated November 25, 2003 is dissolved because it was improperly granted, then and in that event the surety shall be held firmly bound to pay to any person injured all damages sustained by reason of the granting of the injunction and all legally taxable costs and fees, as may be ordered by the Court. Stephen Poorman & Company, Inc. and Stephen Poorman are hereby enjoined and directed to immediately transfer and/or return to Juniata Lake Properties, LLC and Dubois Country Club, LTD. the total sum of Two Hundred Thousand Seven Hundred and Fifty One and 89/100 (\$200,751.89) Dollars as per this Court's Injunction Order dated November 25, 2004. The funds shall be made payable to Juniata Lake Properties, LLC and shall be delivered to Vern Shaffer, 10 Lakeside Avenue, Dubois, PA 15801. Plaintiffs may terminate the Four Hundred Sixty-Seven Thousand Eight Hundred Eighty-One and 82/100 (\$467,881.82) Dollar Letter of Credit Bond posted by the plaintiffs with the Prothonotary on December 16, 2003. The parties have agreed to withdraw their respective demands for sanctions.



J.

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

JUNIATA LAKE PROPERTIES, LLC and  
DUBOIS COUNTRY CLUB, LTD,

Plaintiffs,

vs.

STEPHEN POORMAN & COMPANY,  
INC. and STEPHEN POORMAN,

Defendants.

CIVIL DIVISION

No. 03 1572-CD

**NOTICE OF SERVICE OF INJUNCTION  
BOND**

Filed on Behalf of Plaintiffs, Juniata Lake  
Properties, LLC and Dubois Country  
Club, LTD

Counsel of Record for this Party:

BERNARD P. MATTHEWS, JR., ESQ.  
PA. I.D. #54880

MEYER, DARRAGH, BUCKLER,  
BEBENEK & ECK, P.L.L.C.  
Firm No. 198  
114 South Main Street  
Greensburg, PA 15601-3102

Telephone No.: (724) 836-4840  
Fax No.: (724) 836-0532

JURY TRIAL DEMANDED

**FILED** NO  
m/1:41/04 E.C.C.  
MAR 01 2004 12P

William A. Shaw  
Prothonotary/Clerk of Courts

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

JUNIATA LAKE PROPERTIES, LLC and  
DUBOIS COUNTRY CLUB, LTD,

Plaintiffs,

vs.

STEPHEN POORMAN & COMPANY,  
INC. and STEPHEN POORMAN,

Defendants.

CIVIL DIVISION

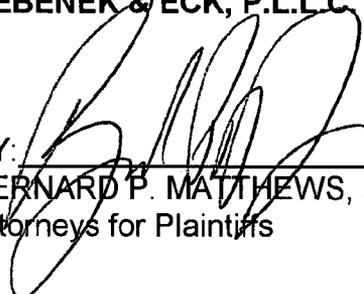
No. 03 1572-CD

**NOTICE OF SERVICE OF INJUNCTION BOND**

**AND NOW** come the plaintiffs, Juniata Lake Properties, LLC and Dubois Country Club, Ltd., by and through their attorneys, **MEYER, DARRAGH, BUCKLER, BEBENEK & ECK, P.L.L.C. and Bernard P. Matthews, Jr.**, and file the following Notice of Service of Injunction Bond, attaching hereto the original "Preliminary Injunction Bond" dated February 27, 2004, as required by this Court's order dated February 26, 2004.

Respectfully submitted,

**MEYER, DARRAGH, BUCKLER,  
BEBENEK & ECK, P.L.L.C.**

BY:   
BERNARD P. MATTHEWS, JR., ESQ.  
Attorneys for Plaintiffs

**CERTIFICATE OF SERVICE**

This is to certify that a copy of the within Notice of Service of Injunction Bond has been delivered by First Class United States mail to all counsel of record this 27<sup>th</sup> day of February, 2004, as follows:

Scott C. Etter, Esquire  
Miller, Kistler, Campbell, Miller,  
Williams & Benson, Inc.  
720 South Atherton Street  
State College, PA 16801-4628



---

BERNARD P. MATTHEWS, JR., ESQ.  
Attorney for Plaintiffs

# Fidelity and Deposit Company of Maryland

Bond # 8709454

In the Court of Common Pleas of Clearfield County,  
Pennsylvania  
Civil Division

Juniata Lake Properties LLC  
and DuBois Country Club, LTD.,  
Plaintiffs

VS

NO: 03-1572 - CD

Stephen Poorman & Company, Inc.,  
And Stephen Poorman,  
Defendants

## Preliminary Injunction Bond

Know all men by these presents, that, Juniata Lake Properties, LLC and Dubois Country Club, LTD, a Pennsylvania corporation, as Principal and Fidelity and Deposit Company of Maryland, of the City of Pittsburgh, a corporation duly organized under the laws of the State of Maryland, (hereinafter the "Surety") as Surety, are held and firmly bound unto the above named Stephen Poorman & Company, Inc., and Stephen Poorman, Defendant(s) in the above captioned case in the sum of **One Hundred Thirty Seven Thousand and no/100--  
---(\$137,000.00) Dollars** lawful money of the United States, to be paid to the said Defendant(s), their executors, administrators, successor or assigns, and every one of them firmly by these presents.

Sealed with our seal and dated this 27th day of February, 2004.

Whereas, the said Plaintiff has file a Complaint in the Court of Common Pleas of Clearfield County at 03-1572 CD in Equity against the said Defendant(s) wherein it has prayed for a Preliminary Injunction to restrain the said Defendant(s), its officers, agents, servants, representative, employees or anyone acting in concert with them, as therein more particularly set forth, and such Preliminary Injunction was duly granted by the said Court on the entering of security in the above state sum;

Now then, the condition of this obligation is such that the said Obligator shall indemnify the said Defendants from all damages that may be sustained by reason of the said Preliminary Injunction, then this obligation to be void; otherwise, to be and remain in full force and virtue provided it is finally determined that the Plaintiff was not justly entitled to such action.

RETURNED ORIGINAL BOND  
TO ATTY MADHEW

In witness whereof, the parties have hereunto set their hands and seals the dated and year first above written.

Juniata Lake Properties LLC and DuBois  
Country Club, LTD.

Caroline J. Panlasi  
Witness

BY: \_\_\_\_\_

Mark V.P.

Fidelity and Deposit Company of Maryland

Linda K. Kocinski  
Witness as to Surety

BY: \_\_\_\_\_

Nancy Zozny (SEAL)  
Nancy Zozny, Attorney-in-fact

Approved this 27 day of February, 2004

\_\_\_\_\_  
( )

**Power of Attorney  
FIDELITY AND DEPOSIT COMPANY OF MARYLAND**

KNOW ALL MEN BY THESE PRESENTS: That the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, a corporation of the State of Maryland, by PAUL C. ROGERS, Vice President, and T. E. SMITH, Assistant Secretary, in pursuance of authority granted by Article VI, Section 2, of the By-Laws of said Company, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, does hereby nominate, constitute and appoint **Kenneth F. CHESTER, Sherron D. PRIM, Rozanne BARCZAK, Nancy ZBOZNY and Regis P. MCKAVENEY, all of Pittsburgh, Pennsylvania, EACH** its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for, and on its behalf as surety, and as its act and deed: ~~any and all bonds and undertakings~~ and the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Company, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its office in Baltimore, Md., in their own proper persons. This power of attorney revokes that issued on behalf of Kenneth F. Chester, Sherron D. Prim, Rozanne Barczak, Nancy Zbozny, Regis P. McKaveny, dated February 22, 2000.

The said Assistant Secretary does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article VI, Section 2, of the By-Laws of said Company, and is now in force.

IN WITNESS WHEREOF, the said Vice-President and Assistant Secretary have hereunto subscribed their names and affixed the Corporate Seal of the said FIDELITY AND DEPOSIT COMPANY OF MARYLAND, this 10th day of February, A.D. 2004.

ATTEST:

**FIDELITY AND DEPOSIT COMPANY OF MARYLAND**



*T. E. Smith*

T. E. Smith Assistant Secretary

*Paul C. Rogers*

By: Paul C. Rogers Vice President

State of Maryland }  
City of Baltimore } ss:

On this 10th day of February, A.D. 2004, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, came PAUL C. ROGERS, Vice President, and T. E. SMITH, Assistant Secretary of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and they each acknowledged the execution of the same, and being by me duly sworn, severally and each for himself deposed and saith, that they are the said officers of the Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and that the said Corporate Seal and their signatures as such officers were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.



*Dennis R. Hayden*

Dennis R. Hayden Notary Public  
My Commission Expires: February 1, 2005

**EXTRACT FROM BY-LAWS OF FIDELITY AND DEPOSIT COMPANY OF MARYLAND**

"Article VI, Section 2. The Chairman of the Board, or the President, or any Executive Vice-President, or any of the Senior Vice-Presidents or Vice-Presidents specially authorized so to do by the Board of Directors or by the Executive Committee, shall have power, by and with the concurrence of the Secretary or any one of the Assistant Secretaries, to appoint Resident Vice-Presidents, Assistant Vice-Presidents and Attorneys-in-Fact as the business of the Company may require, or to authorize any person or persons to execute on behalf of the Company any bonds, undertakings, recognizances, stipulations, policies, contracts, agreements, deeds, and releases and assignments of judgements, decrees, mortgages and instruments in the nature of mortgages,...and to affix the seal of the Company thereto."

**CERTIFICATE**

I, the undersigned, Assistant Secretary of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, do hereby certify that the foregoing Power of Attorney is still in full force and effect on the date of this certificate; and I do further certify that the Vice-President who executed the said Power of Attorney was one of the additional Vice-Presidents specially authorized by the Board of Directors to appoint any Attorney-in-Fact as provided in Article VI, Section 2, of the By-Laws of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND.

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at a meeting duly called and held on the 10th day of May, 1990.

RESOLVED: "That the facsimile or mechanically reproduced seal of the company and facsimile or mechanically reproduced signature of any Vice-President, Secretary, or Assistant Secretary of the Company, whether made heretofore or hereafter, wherever appearing upon a certified copy of any power of attorney issued by the Company, shall be valid and binding upon the Company with the same force and effect as though manually affixed."

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seal of the said Company,

this 27<sup>th</sup> day of February, 2004

  
Assistant Secretary

68

**IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA**

JUNIATA LAKE PROPERTIES, LLC and  
DUBOIS COUNTRY CLUB, LTD,

Plaintiffs,

vs.

STEPHEN POORMAN & COMPANY,  
INC. and STEPHEN POORMAN,

Defendants.

CIVIL DIVISION

No. 03-1572-CD

**NOTICE**

TO: Scott C. Etter, Esquire  
Miller, Kistler, Campbell, Miller,  
Williams & Benson, Inc.  
720 South Atherton Street  
State College, PA 16801-4628

**FILED**

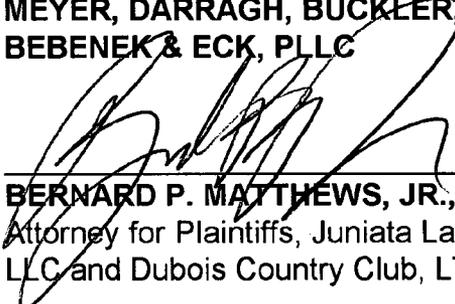
**JUN 28 2004**

William A. Shaw  
Prothonotary/Clerk of Courts

**TAKE NOTICE** that the within Motion to Terminate and Release Injunction Bond will be presented before a Judge of the Court of Common Pleas of Clearfield County, Pennsylvania.

**MEYER, DARRAGH, BUCKLER,  
BEBENEK & ECK, PLLC**

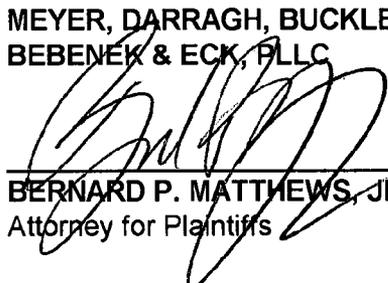
By:

  
\_\_\_\_\_  
**BERNARD P. MATTHEWS, JR., ESQ.**  
Attorney for Plaintiffs, Juniata Lake Properties,  
LLC and Dubois Country Club, LTD

I hereby certify that a true and correct copy of the within Motion was forwarded to the above-named counsel, via U.S. Mail, on the 25<sup>th</sup> day of June, 2004.

**MEYER, DARRAGH, BUCKLER,  
BEBENEK & ECK, PLLC**

By:

  
\_\_\_\_\_  
**BERNARD P. MATTHEWS, JR., ESQ.**  
Attorney for Plaintiffs

**IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA**

JUNIATA LAKE PROPERTIES, LLC and  
DUBOIS COUNTRY CLUB, LTD,

Plaintiffs,

vs.

STEPHEN POORMAN & COMPANY,  
INC. and STEPHEN POORMAN,

Defendants.

CIVIL DIVISION

No. 03-1572-CD

**MOTION TO TERMINATE AND  
RELEASE INJUNCTION BOND**

Filed on Behalf of Plaintiffs, Juniata Lake  
Properties, LLC and Dubois Country  
Club, LTD

Counsel of Record for this Party:

**BERNARD P. MATTHEWS, JR., ESQ.**  
PA. I.D. #54880

MEYER, DARRAGH, BUCKLER,  
BEBENEK & ECK, P.L.L.C.  
Firm No. 198  
114 South Main Street  
Greensburg, PA 15601-3102

Telephone No.: (724) 836-4840  
Fax No.: (724) 836-0532

**JURY TRIAL DEMANDED**

**IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA**

JUNIATA LAKE PROPERTIES, LLC and  
DUBOIS COUNTRY CLUB, LTD,

Plaintiffs,

vs.

STEPHEN POORMAN & COMPANY,  
INC. and STEPHEN POORMAN,

Defendants.

CIVIL DIVISION

No. 03-1572-CD

**MOTION TO TERMINATE AND RELEASE INJUNCTION BOND**

**AND NOW** come the plaintiffs, Juniata Lake Properties, LLC and Dubois Country Club, LTD, by and through their attorneys, **MEYER, DARRAGH, BUCKLER, BEBENEK & ECK, P.L.L.C. and Bernard P. Matthews, Jr.**, and respectfully request that this Honorable Court enter an order terminating and releasing the Surety Bond dated February 27, 2004 in the amount of One Hundred Thirty-Seven Thousand (\$137,000) Dollars, stating as follows:

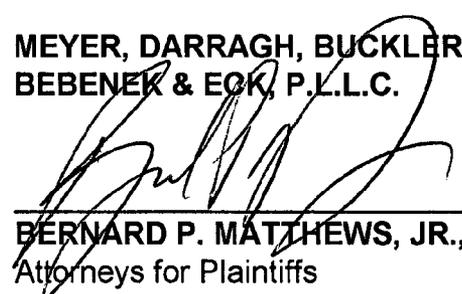
1. The parties have resolved this dispute.
2. Pursuant to the agreement resolving this dispute, the parties jointly request that this Court terminate and release to the plaintiffs the original Surety Bond dated February 27, 2004 in the amount of \$137,000.

**WHEREFORE**, Juniata Lake Properties, LLC and Dubois Country Club, LTD,  
respectfully request that this Honorable Court enter an order terminating and releasing to  
the plaintiffs the original Surety Bond dated February 27, 2004 in the amount of \$137,000.

Respectfully submitted,

**MEYER, DARRAGH, BUCKLER,  
BEBENEK & ECK, P.L.L.C.**

BY:

  
\_\_\_\_\_  
**BERNARD P. MATTHEWS, JR., ESQ.**  
Attorneys for Plaintiffs

CA

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,  
PENNSYLVANIA  
CIVIL DIVISION

JUNIATA LAKE PROPERTIES, :  
LLC and DUBOIS COUNTRY CLUB :

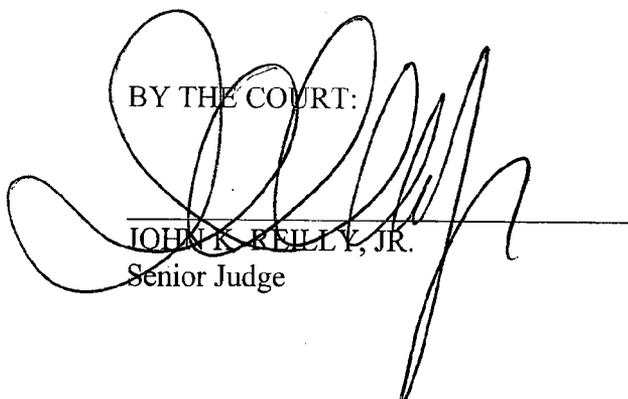
vs. : No. 03-1572-CD

STEPHEN POORMAN & COMPANY, :  
INC. and STEPHEN POORMAN :

**ORDER**

AND NOW, this 30 day of June, 2004, upon consideration of  
Plaintiffs' Motion to Terminate and Release Injunction Bond in the above matter, a  
Rule is hereby issued upon Defendants to Appear and Show Cause why the  
Motion should not be granted. Argument is scheduled the 13 day of  
July, 2004, at 2:00 P.M. in Courtroom No. 2,  
Clearfield County Courthouse, Clearfield, PA.

BY THE COURT:



JOHN K. KELLY, JR.  
Senior Judge

**FILED**

**JUN 30 2004**

William A. Shaw  
Prothonotary/Clerk of Courts

FILED

2cc

JUN 30 2004

*W*  
William A. Shaw  
Prothonotary/Clerk of Courts

Atty B. Matthews  
w/ memo directing service  
to ~~attorneys~~ counsel

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

JUNIATA LAKE PROPERTIES, LLC and  
DUBOIS COUNTRY CLUB, LTD,

Plaintiffs,

vs.

STEPHEN POORMAN & COMPANY,  
INC. and STEPHEN POORMAN,

Defendants.

CIVIL DIVISION

No. 03-1572-CD

**NOTICE**

TO: Scott C. Etter, Esquire  
Miller, Kistler, Campbell, Miller,  
Williams & Benson, Inc.  
720 South Atherton Street  
State College, PA 16801-4628

**FILED**

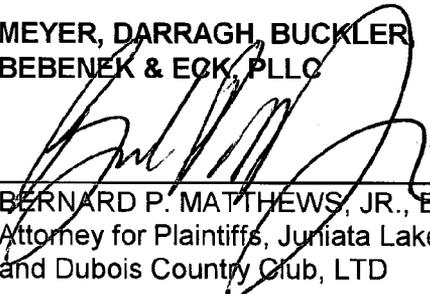
JUL 13 2004

William A. Shaw  
Prothonotary/Clerk of Courts

TAKE NOTICE that the within Motion to Terminate and Release Injunction Bond will be presented on, July 13, 2004, before a Judge of the Court of Common Pleas of Clearfield County, Pennsylvania.

MEYER, DARRAGH, BUCKLER,  
BEBENEK & ECK, PLLC

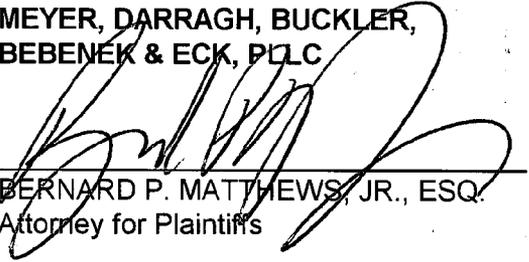
By:

  
BERNARD P. MATTHEWS, JR., ESQ.  
Attorney for Plaintiffs, Juniata Lake Properties, LLC  
and Dubois Country Club, LTD

I hereby certify that a true and correct copy of the within Motion was forwarded to the above-named counsel, via facsimile, on the 8<sup>th</sup> day of June, 2004.

MEYER, DARRAGH, BUCKLER,  
BEBENEK & ECK, PLLC

By:

  
BERNARD P. MATTHEWS, JR., ESQ.  
Attorney for Plaintiffs

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

JUNIATA LAKE PROPERTIES, LLC and  
DUBOIS COUNTRY CLUB, LTD,

Plaintiffs,

vs.

STEPHEN POORMAN & COMPANY,  
INC. and STEPHEN POORMAN,

Defendants.

CIVIL DIVISION

No. 03-1572-CD

**MOTION TO TERMINATE AND  
RELEASE INJUNCTION BOND**

Filed on Behalf of Plaintiffs, Juniata Lake  
Properties, LLC and Dubois Country  
Club, LTD

Counsel of Record for this Party:

**BERNARD P. MATTHEWS, JR., ESQ.**  
PA. I.D. #54880

MEYER, DARRAGH, BUCKLER,  
BEBENEK & ECK, P.L.L.C.

Firm No. 198  
114 South Main Street  
Greensburg, PA 15601-3102

Telephone No.: (724) 836-4840  
Fax No.: (724) 836-0532

**JURY TRIAL DEMANDED**

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

JUNIATA LAKE PROPERTIES, LLC and  
DUBOIS COUNTRY CLUB, LTD,

Plaintiffs,

vs.

STEPHEN POORMAN & COMPANY,  
INC. and STEPHEN POORMAN,

Defendants.

CIVIL DIVISION

No. 03-1572-CD

**MOTION TO TERMINATE AND RELEASE INJUNCTION BOND**

**AND NOW** come the plaintiffs, Juniata Lake Properties, LLC and Dubois Country Club, LTD, by and through their attorneys, **MEYER, DARRAGH, BUCKLER, BEBENEK & ECK, P.L.L.C. and Bernard P. Matthews, Jr.**, and respectfully request that this Honorable Court enter an order terminating and releasing the Surety Bond dated February 27, 2004 in the amount of One Hundred Thirty-Seven Thousand (\$137,000) Dollars, stating as follows:

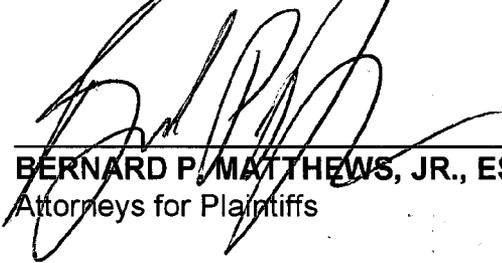
1. The parties have resolved this dispute.
2. Pursuant to the agreement resolving this dispute, the parties jointly request that this Court terminate and release to the plaintiffs the original Surety Bond dated February 27, 2004 in the amount of \$137,000.

**WHEREFORE**, Juniata Lake Properties, LLC and Dubois Country Club, LTD,  
respectfully request that this Honorable Court enter an order terminating and releasing to  
the plaintiffs the original Surety Bond dated February 27, 2004 in the amount of \$137,000.

Respectfully submitted,

**MEYER, DARRAGH, BUCKLER,  
BEBENEK & ECK, P.L.L.C.**

BY:

  
\_\_\_\_\_  
**BERNARD P. MATTHEWS, JR., ESQ.**  
Attorneys for Plaintiffs

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

JUNIATA LAKE PROPERTIES, LLC and  
DUBOIS COUNTRY CLUB, LTD,

Plaintiffs,

vs.

STEPHEN POORMAN & COMPANY,  
INC. and STEPHEN POORMAN,

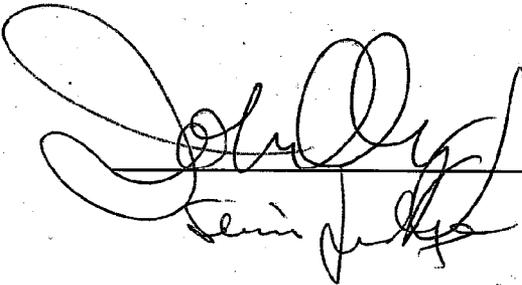
Defendants.

CIVIL DIVISION

No. 03-1572-CD

ORDER OF COURT

AND NOW to wit, this 13 day of July, 2004, **IT IS HEREBY ORDERED, ADJUDGED AND DECREED** that Plaintiffs' Motion to Terminate and Release Injunction Bond is **GRANTED**. The Surety Bond dated February 27, 2004 in the amount of One Hundred Thirty-Seven Thousand and 00/100 (\$137,000.00) Dollars is hereby terminated and the Prothonotary is directed to release the original bond to the Plaintiffs.

  
\_\_\_\_\_ J.

**FILED**

**JUL 13 2004**

William A. Shaw  
Prothonotary/Clerk of Courts

William A. Shaw  
Prothonotary/Clerk of Courts

**FILED** acc  
07/24/04  
JUL 13 2004 Amy Matthews



IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

JUNIATA LAKE PROPERTIES, LLC and  
DUBOIS COUNTRY CLUB, LTD,

Plaintiffs,

vs.

STEPHEN POORMAN & COMPANY,  
INC. and STEPHEN POORMAN,

Defendants.

CIVIL DIVISION

No. 03 1572-CD

**PRAECIPE TO RELEASE INJUNCTION  
BOND**

Filed on Behalf of Plaintiffs, Juniata Lake  
Properties, LLC and Dubois Country  
Club, LTD

Counsel of Record for this Party:

BERNARD P. MATTHEWS, JR., ESQ.  
PA. I.D. #54880

MEYER, DARRAGH, BUCKLER,  
BEBENEK & ECK, P.L.L.C.  
Firm No. 198  
114 South Main Street  
Greensburg, PA 15601-3102

Telephone No.: (724) 836-4840  
Fax No.: (724) 836-0532

JURY TRIAL DEMANDED

**FILED**

JUL 19 2004

*William A. Shaw*  
William A. Shaw  
Prothonotary

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

JUNIATA LAKE PROPERTIES, LLC and  
DUBOIS COUNTRY CLUB, LTD,

Plaintiffs,

vs.

STEPHEN POORMAN & COMPANY,  
INC. and STEPHEN POORMAN,

Defendants.

CIVIL DIVISION

No. 03 1572-CD

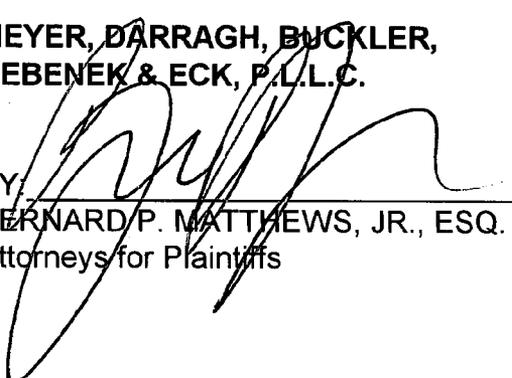
**PRAECIPE TO RELEASE INJUNCTION BOND**

TO: PROTHONOTARY

Pursuant to Court Order dated July 13, 2004, please release the surety bond dated February 27, 2004 in the amount of \$137,000 to the plaintiffs.

Respectfully submitted,

**MEYER, DARRAGH, BUCKLER,  
BEBENEK & ECK, P.L.L.C.**

BY:   
BERNARD P. MATTHEWS, JR., ESQ.  
Attorneys for Plaintiffs

Date: 7-16-04

*SWORN TO and subscribed )  
before me this 16<sup>th</sup> day )  
of July, 2004. )*

  
Notary Public

{SEAL}

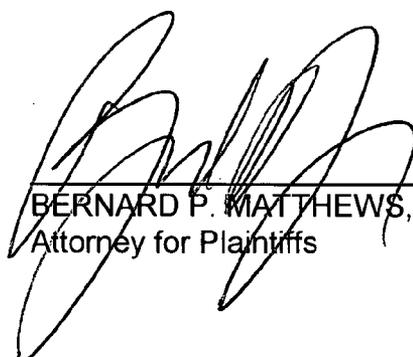
My Commission Expires:

COMMONWEALTH OF PENNSYLVANIA  
Notarial Seal  
Karen L. Berenbrok, Notary Public  
City Of Greensburg, Westmoreland County  
My Commission Expires June 2, 2007  
Member, Pennsylvania Association Of Notaries

**CERTIFICATE OF SERVICE**

This is to certify that a copy of the within Praecipe to Release Injunction Bond has been delivered and by First Class United States mail to all counsel of record this 1<sup>st</sup> day of July, 2004, as follows:

Scott C. Etter, Esquire  
Miller, Kistler, Campbell, Miller,  
Williams & Benson, Inc.  
720 South Atherton Street  
State College, PA 16801-4628



---

BERNARD P. MATTHEWS, JR., ESQ.  
Attorney for Plaintiffs

FILED

JUL 19 2004

William A. Shaw  
Prothonotary

RETURNED ORIGINAL PRELIMINARY  
IN SURETY BOND TO ATT

MATHEW

7-19-04

RECEIVED  
JUL 19 2004

RECEIVED  
JUL 19 2004

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

JUNIATA LAKE PROPERTIES, LLC and  
DUBOIS COUNTRY CLUB, LTD,

Plaintiffs,

vs.

STEPHEN POORMAN & COMPANY,  
INC. and STEPHEN POORMAN,

Defendants.

CIVIL DIVISION

No. 03 1572-CD

**PRAECIPE TO SETTLE AND  
DISCONTINUE**

Filed on Behalf of Plaintiffs, Juniata Lake  
Properties, LLC and Dubois Country  
Club, LTD

Counsel of Record for this Party:

BERNARD P. MATTHEWS, JR., ESQ.  
PA. I.D. #54880

MEYER, DARRAGH, BUCKLER,  
BEBENEK & ECK, P.L.L.C.

Firm No. 198

114 South Main Street  
Greensburg, PA 15601-3102

Telephone No.: (724) 836-4840

Fax No.: (724) 836-0532

JURY TRIAL DEMANDED

**FILED** No cc  
m/d: 01/01  
AUG 02 2004 Cert. of Disc.  
to Atty  
Copy to CIA  
William A. Shaw  
Prothonotary/Clerk of Courts

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

JUNIATA LAKE PROPERTIES, LLC and  
DUBOIS COUNTRY CLUB, LTD,

Plaintiffs,

vs.

STEPHEN POORMAN & COMPANY,  
INC. and STEPHEN POORMAN,

Defendants.

CIVIL DIVISION

No. 03 1572-CD

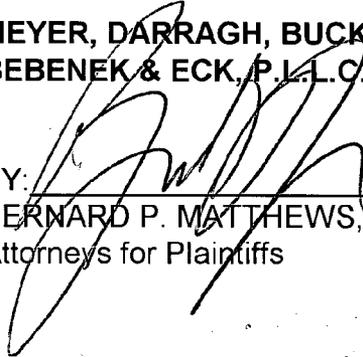
**PRAECIPE TO SETTLE AND DISCONTINUE**

TO: PROTHONOTARY

Kindly mark the above-captioned docket "Settled and Discontinued" with prejudice  
as to all claims.

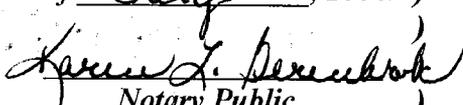
Respectfully submitted,

**MEYER, DARRAGH, BUCKLER,  
BEBENEK & ECK, P.L.L.C.**

BY:   
BERNARD P. MATTHEWS, JR., ESQ.  
Attorneys for Plaintiffs

Date: 7-28-04

SWORN TO and subscribed )  
before me this 28th day )  
of July, 2004. )

  
Notary Public )

{SEAL}

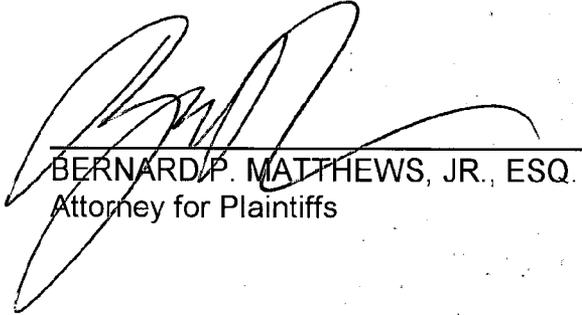
My Commission Expires:

COMMONWEALTH OF PENNSYLVANIA  
Notarial Seal  
Karen L. Berenbrok, Notary Public  
City Of Greensburg, Westmoreland County  
My Commission Expires June 2, 2007  
Member, Pennsylvania Association Of Notaries

**CERTIFICATE OF SERVICE**

This is to certify that a copy of the within Praeceptum to Settle and Discontinue has been delivered and by First Class United States mail to all counsel of record this 28 day of July, 2004, as follows:

Scott C. Etter, Esquire  
Miller, Kistler, Campbell, Miller,  
Williams & Benson, Inc.  
720 South Atherton Street  
State College, PA 16801-4628



BERNARD P. MATTHEWS, JR., ESQ.  
Attorney for Plaintiffs

**IN THE COURT OF COMMON PLEAS OF  
CLEARFIELD COUNTY, PENNSYLVANIA**

**CIVIL DIVISION**

**COPEX**

**Juniata Lake Properties, LLC and  
DuBois Country Club, LTD**

**Vs.**

**No. 2003-01572-CD**

**Stephen Poorman & Company, Inc.  
and Stephen Poorman**

**CERTIFICATE OF DISCONTINUATION**

Commonwealth of PA  
County of Clearfield

I, William A. Shaw, Prothonotary of the Court of Common Pleas in and for the County and Commonwealth aforesaid do hereby certify that the above case was on August 2, 2004, marked:

Settled and Discontinued with Prejudice

Record costs in the sum of \$85.00 have been paid in full by Bernard P. Matthews, Jr., Esq.

IN WITNESS WHEREOF, I have hereunto affixed my hand and seal of this Court at Clearfield, Clearfield County, Pennsylvania this 2nd day of August A.D. 2004.

---

William A. Shaw, Prothonotary



**MEYER • DARRAGH**  
**BUCKLER BEBENEK & ECK, P.L.L.C.**

Attorneys-at-Law

114 S. Main Street • Greensburg, PA 15601-3102 • (724) 836-4840 • Fax: (724) 836-0532

Bernard P. Matthews  
Attorney-at-Law

Direct Dial No.: (724) 853-2298  
E-Mail Address: [Bmatthews@mdbbe.com](mailto:Bmatthews@mdbbe.com)

REFER TO: DUBOI.106444

December 23, 2003

**RECEIVED**

**DEC 26 2003**

COURT ADMINISTRATOR'S  
OFFICE

***Transmitted via Federal Express***

William Shaw, Prothonotary  
Clearfield County Courthouse  
230 East Market Street  
Clearfield, PA 16830

Re: Juniata Lake Properties, LLC and Dubois Country Club, LTD  
vs. Stephen Poorman & Company, Inc. and Stephen Poorman  
No. 03-1572-CD; Clearfield County, Pennsylvania

Dear Prothonotary:

Enclosed herewith for filing on behalf of our clients in the above-referenced matter, Juniata Lake Properties, LLC and Dubois Country Club, Ltd., is a Reply to New Matter Asserted in Response to Motion for Contempt. Also enclosed is a copy of said document which we are requesting that you please forward to Judge John K. Reilly, Jr. for immediate disposition.

Thank you for your assistance in this regard.

Very truly yours,

BERNARD P. MATTHEWS, JR.

BPMjr:kkb  
Enclosures

cc: Honorable John K. Reilly, Jr. (w/enc.) ***Via Federal Express***  
Scott C. Etter, Esquire (w/enc.)  
David Meholick, Court Administrator (w/enc.)

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

JUNIATA LAKE PROPERTIES, LLC and  
DUBOIS COUNTRY CLUB, LTD,

Plaintiffs,

vs.

STEPHEN POORMAN & COMPANY,  
INC. and STEPHEN POORMAN,

Defendants.

CIVIL DIVISION

No. 03 1572-CD

**REPLY TO NEW MATTER ASSERTED  
IN RESPONSE TO MOTION FOR  
CONTEMPT**

Filed on Behalf of Plaintiffs, Juniata Lake  
Properties, LLC and Dubois Country  
Club, LTD

Counsel of Record for this Party:

BERNARD P. MATTHEWS, JR., ESQ.  
PA. I.D. #54880

MEYER, DARRAGH, BUCKLER,  
BEBENEK & ECK, P.L.L.C.  
Firm No. 198  
114 South Main Street  
Greensburg, PA 15601-3102

Telephone No.: (724) 836-4840  
Fax No.: (724) 836-0532

JURY TRIAL DEMANDED

**RECEIVED**

**DEC 26 2003**

COURT ADMINISTRATOR'S  
OFFICE

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

JUNIATA LAKE PROPERTIES, LLC and  
DUBOIS COUNTRY CLUB, LTD,

Plaintiffs,

vs.

STEPHEN POORMAN & COMPANY,  
INC. and STEPHEN POORMAN,

Defendants.

CIVIL DIVISION

No. 03 1572-CD

**REPLY TO NEW MATTER ASSERTED IN RESPONSE  
TO MOTION FOR CONTEMPT**

**AND NOW** come the plaintiffs, Juniata Lake Properties, LLC and Dubois Country Club, LTD, by and through their attorneys, **MEYER, DARRAGH, BUCKLER, BEBENEK & ECK, P.L.L.C. and Bernard P. Matthews, Jr.**, and file the following Reply to New Matter asserted in response to Motion for Contempt, stating as follows:

8. In response to the allegations of paragraph eight, plaintiffs adopt and incorporate by reference the allegations of their motion to approve bond and for contempt as if the same were set forth fully here and at length.

9. Admitted, except it is further averred that this court's injunction order did not specify that the "bond" had to be a surety bond as demanded by the defendants. Moreover, it is believed and therefore averred that a surety bond would provide no greater protection to the defendants than a letter of credit pledged to the Court of Common Pleas

of Clearfield County, yet it is believed that the premium for a surety bond would be excessive, perhaps as much as 10% of the \$467,881.82 required to be bonded. Therefore, there is no reason for the court or defense counsel to insist on a surety bond other than defendants' continuing strategy to push the plaintiffs toward financial ruin and leverage a settlement from the plaintiffs by withholding plaintiffs' money. Defendants' position that the letter of credit does not fulfill the requirements of the court's injunction order which requires only the posting of a "bond" is frivolous and lacking any merit whatsoever, such that defendants should be held in contempt.

10. It is admitted that plaintiffs posted a letter of credit bond with the court, secured by a mortgage. It is averred that the bond fulfills the requirements of this court's injunction order.

11. While it is not denied that defendants have asserted their "concerns" over the letter of credit in a bankruptcy proceeding, these concerns are baseless and do not serve as a sufficient legal reason for failing or refusing to comply with the court's injunction order. First, plaintiffs continue to have insufficient funds to pay their bills when due solely because the defendants continue to withhold plaintiffs' money and have failed and/or refused to comply with the court's injunction order. Plaintiffs are using every lawful tactic available to them to hold off creditors and avoid bankruptcy. To this point, plaintiffs have been successful. However, it must be emphasized again that bankruptcy is only a possibility because the defendants have adopted a strategy of pushing the plaintiffs toward financial ruin in order to leverage a settlement from the plaintiffs by withholding plaintiffs'

money. If the plaintiffs' money is returned as ordered by the court, then plaintiffs will have sufficient funds to pay their bills and concerns over bankruptcy are virtually eliminated. Ironically, defendants' conduct is responsible for the very "bankruptcy" concerns which defendants now hypocritically cite as a basis for objecting to the letter of credit bond. Second, defendants' concerns that the letter of credit would be "essentially worthless" in a bankruptcy proceeding are without legal merit. The bond for issuance of a preliminary injunction should only be sufficient to cover damages that are reasonably foreseeable. Pleasant Hills Const. Co., Inc. v. Public Auditorium Auth. Of Pittsburgh, 782 A.2d 68 (Pa. Cmwlth. 2001). Pa. R.A.P. 1734(a)(2) authorizes a letter of credit as a means of bond security in an injunction matter when a stay is sought after a hearing on the merits—a much more stringent standard than Pa. R.C.P. 1531(b)(1) which requires that the court bond only damages "sustained by reason of the granting of the injunction." Additionally, letters of credit are acceptable forms of "bonds" in many commercial settings, including the securing of public improvements under the Pennsylvania Municipalities Planning Code. Indeed, the Pennsylvania Municipalities Planning Code, which requires security for the completion of public improvements such as sewers and streets, permits letters of credit as an appropriate form of bonding. See 53 P.S. § 10509(C). Defendants have cited no legal authority whatsoever for their argument that the letter of credit will be "essentially worthless" in a bankruptcy. This court's bonding requirement exceeds the amount claimed by the defendant under the management agreement (\$137,812.39) by nearly \$330,000.00. Indeed, despite all of defendants' self-serving protestations, defendants still have not filed suit for alleged fees under the management agreement. Any obligation which defendants

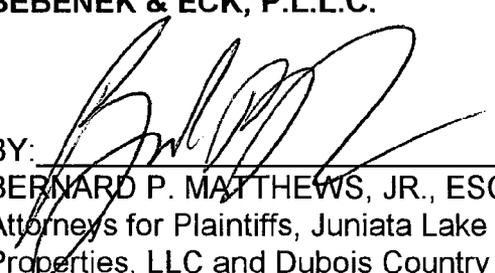
claim is owed is more than adequately bonded by the posted letter of credit. This Court should find the defendants to be in contempt.

12. Denied based on defendants' non-compliance to date.
13. Denied for the reasons set forth in paragraph 11 above.
14. Denied for the reasons set forth in paragraph 11 above.
15. Denied for the reasons set forth in paragraph 11 above.

**WHEREFORE**, Juniata Lake Properties, LLC and Dubois Country Club, LTD, respectfully request that this Honorable Court enter an order approving the LOC bond as adequate security for this court's injunction order dated November 24, 2003 and, further, finding defendants, Stephen Poorman & Company, Inc. and Stephen Poorman, in contempt for failing and refusing to comply with the injunction order, entering such sanctions as the court deems appropriate, including attorney's fees and costs.

Respectfully submitted,

**MEYER, DARRAGH, BUCKLER,  
BEBENEK & ECK, P.L.L.C.**

BY:   
BERNARD P. MATTHEWS, JR., ESQ.  
Attorneys for Plaintiffs, Juniata Lake  
Properties, LLC and Dubois Country  
Club, LTD

**JURY TRIAL DEMANDED**

**VERIFIED STATEMENT**

I, BERNARD P. MATTHEWS, JR., ESQUIRE, being the attorney for plaintiffs herein, am duly authorized to make this verified statement on their behalf as the verified statement of plaintiffs cannot be obtained in time for the filing of this pleading. I hereby verify that the statements set forth in the within Reply to New Matter Asserted in Response to Motion for Contempt are true and correct to the best of my knowledge, information and belief.

I understand that false statements made herein are subject to the penalties of 18 Pa. C.S. Section 4904, relating to unsworn falsification to authorities.

  
BERNARD P. MATTHEWS, JR., ESQUIRE

Date: 12/23/03 0

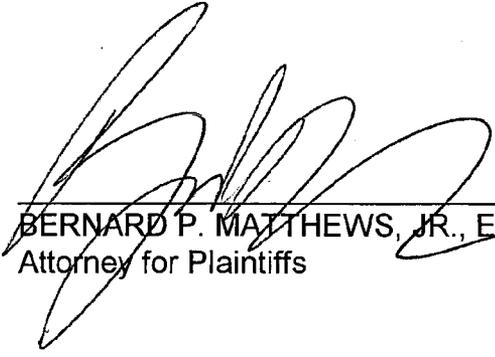
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know what  
do w/ these*

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**CERTIFICATE OF SERVICE**

This is to certify that a copy of the within Reply to New Matter Asserted in Response to Motion for Contempt has been delivered via First Class United States mail to all counsel of record this 23<sup>rd</sup> day of December, 2003, as follows:

Scott C. Etter, Esquire  
Miller, Kistler, Campbell, Miller,  
Williams & Benson, Inc.  
720 South Atherton Street  
State College, PA 16801-4628



BERNARD P. MATTHEWS, JR., ESQ.  
Attorney for Plaintiffs

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA  
CIVIL ACTION

JUNIATA LAKE PROPERTIES, LLC and  
DUBOIS COUNTRY CLUB, LTD.  
Plaintiffs

VS

No. 03-1572-CD

STEPHEN POORMAN & COMPANY, INC.  
and STEPHEN POORMAN  
Defendants

**MEMORANDUM OF LAW IN SUPPORT OF DEFENDANT  
STEPHEN POORMAN'S ANSWER TO MOTION FOR PRELIMINARY  
INJUNCTIVE RELIEF**

**I. STATEMENT OF QUESTIONS INVOLVED.**

- A. Is the appropriate venue Clearfield County, Pennsylvania?
- B. Did Plaintiff select the appropriate remedy by requesting injunctive relief?
- C. Did Plaintiff meet the separate and distinct standards that govern the request for a Preliminary Injunction?
- D. Do withheld funds of Juniata Lake Properties, LLC belong to Plaintiff or Defendant?
- E. Did Defendant turn over all money that belongs to Plaintiff?

**II. HISTORY OF THE CASE**

Plaintiff transmitted his Complaint, by facsimile, to Defendant on October 17, 2003, late in the day. Plaintiff transmitted its Motion for Preliminary Injunction Relief, by facsimile, to Defendant on October 19, 2003. Plaintiff transmitted, by facsimile, its Notice of a Hearing (scheduled for October 22, 2003), by facsimile, on October 21,

**RECEIVED**

**OCT 22 2003**

**COURT ADMINISTRATORS  
OFFICE**

*1-Att'y*

2003. While Defendant is represented by Attorney Paul Ryan in this matter, Attorney Ryan could not represent Defendant at the October 22, 2003 hearing because of prior court commitments. Given his court schedule and four hours of time to prepare for a hearing, Attorney Ryan requested a continuance from Attorney Bernard Matthews, Jr., but said request was denied. Therefore, Defendant is forced to represent himself at the October 22, 2003 hearing.

### **III. ARGUMENT**

#### **A. Is the Appropriate Venue Clearfield County, Pennsylvania?**

Plaintiff, which was heavily represented by counsel, executed a Management Agreement dated October 22, 2002 with Defendant that states, in pertinent part, that... *“the validity and effect of this Agreement shall be determined by references to the laws of the Commonwealth of Pennsylvania and any dispute relating thereto shall be heard in the Clinton County Court of Common Pleas for the Commonwealth of Pennsylvania.”* Plaintiff’s counsel cautioned Plaintiff about that specific requirement. All of Plaintiff’s allegations of wrongdoing pivot around the aforesaid and subsequent contracts, which designate the venue in Clinton County. Accordingly, Plaintiff’s Complaint and Motion should be dismissed.

#### **B. Did Plaintiff Select the Appropriate Remedy by Requesting Injunctive Relief?**

Plaintiff, at Paragraph No. 6 of its Motion for Injunctive Relief, suggests that Defendant should litigate if it believes that it has a claim. The converse should apply to Plaintiff. A preliminary injunction is an extraordinary remedy under which the petitioner must demonstrate, inter alia, an immediate and irreparable harm not compensable by damages. See Dingle v Com., State Emp. Retirement System 435

A.2d 664 62 Pa. Cmwlt. 79, 1981. In this case, the funds withheld by Defendant belong to him and if Plaintiff believes otherwise, it too may litigate. Under these circumstances, it is unreasonable to require Defendant to return money that is rightfully his property. Apparently Plaintiff believes Defendant provides management, accounting and expenses at no charge. Moreover, Plaintiff acknowledged that it owes money to Defendant and in fact, it formed a committee to calculate the obligation.

**C. Did Defendant Meet the Separate and Distinct Standards That Govern the Request for a Preliminary Injunction?**

Clearly the Plaintiff failed miserably in meeting any reasonable standards which govern the request for a preliminary injunction:

1. Plaintiff clearly has other non-equity remedies which are compensable by the payment of damages;
2. There will be no greater injury by refusing the injunction than granting it because Plaintiff continues to deposit its own money from operations into an account under its control. If there are any other hardships on Plaintiff, it was brought on by the Plaintiff when it unilaterally terminated an irrevocable five-year Management Agreement and those issues are the subject for a remedy at law;
3. The status quo of the parties has not changed because Defendant returned money due and owing to Plaintiff;
4. The alleged wrongdoing by Defendant has not manifested itself at all and evidence, documents and testimony will reveal there is missing information, half-truths, omitted facts and other documents that will refute Plaintiff allegations;
5. The Plaintiff's right to relief is not clear at all. There are dozens of issues which surround the affiliation between Plaintiff and Defendant. There has been no intent or evidence to suggest that Plaintiff did not perform in accordance with contracts and other written documents, which imposes obligations on both parties and which cannot be fully explored during an injunction relief hearing.

Even if Plaintiff could reasonably show there is one issue that is supported by fact, the requisites of a preliminary injunctive are cumulative; thus, if one element is lacking, relief may not be granted. See Leonard vs. Thornbird 463 A.2d 77 75 Pa. Cmwlt. 553 Cmwlt.1983. To receive the benefit of a preliminary injunction, Plaintiff must demonstrate, prima facie, that his right to relief is clear, his need for relief is immediate and his remedy at law, if any, is inadequate. See Wolf vs. Baltimore, 378 A.2d 911, 250 Pa. Super. 230, Super. 1977. Plaintiff has provided no evidence whatsoever that it is unable to collect on a judgment if it is ultimately determined that all or some of the money withheld by Plaintiff is its property. Moreover, Defendant had written authority to withhold money due to its company. When Plaintiff executed these contracts, they were heavily reviewed by two different lawyers representing Plaintiff's best interest and, just as they did when they acted to terminate the Management Agreement, they now want to ignore the binding contractual terms and conditions and use an equity approach to recover money that belongs to someone else.

**D. Do the Withheld Funds of Juniata Lake Properties Belong to Plaintiff or Defendant?**

In the present case, Defendant avers, and will prove, that the money is its property for (i) management fees dues and owing (ii) ownership in the Limited Liability Company and (iii) management fees incurred during the last twelve months. If there is a dispute on that position, it pivots on a Management Agreement, Assignment Agreement and Guaranty Agreement between the parties. The Plaintiff never

attached as an exhibit or referenced these documents in its pleadings because they refute Plaintiff's claim that money withheld is the property of Juniata Lake Properties, LLC. A preliminary injunction is an extraordinary remedy and should only be granted where the Plaintiff has established clear right to relief requested and in this case, there is no clear right to the money. Being an extraordinary remedy, a preliminary injunction should not issue if the moving party's right thereto is not clear or if conduct thought to be enjoined is not manifestly wrong. See Anglo American Ins. Co. vs. Molin 670 A.2d 194 Cmwlt. 1995. Without extrinsic evidence to support Plaintiff's claim, it is not entitled to a preliminary injunction. Plaintiff must show that it has a reasonable likelihood of success on the merits of its allegations. See Lewis vs. City of Harrisburg 631 A.2d 807, 158 Pa. Cmwlt. 318, Cmwlt. 1993. Testimony and documents in this case suggest to this court that there are many issues which could affect the likelihood of success if the matter is litigated and it is unclear whether the petitioner will prevail on the merits. If it is unclear the Plaintiff will prevail on the merits, the preliminary injunction should be denied. See American Federation of State, County and Mun. Employees, AFL-CIO by Keller V Com, 465 A.2d 62, 77 Pa. Cmwlt. 37 Cmwlt. 1983.

**E. Did the Defendant Turn Over All Money Which Belonged to Plaintiff?**

Defendant avers that it did turn over all money which belonged to Plaintiff and by testimony and through documents, it can show that money in its possession is not the property of Plaintiff. Money withheld by Defendant does not represent all of the money that it could be due from Defendant and subsequent

litigation could reveal that Plaintiff owes Defendant additional money. It is for this potential abuse that bonds are required when this type of action is taken surrounding a business dispute.

**IV. CONCLUSION**

Plaintiff is in the wrong courtroom and it is using the wrong remedy. It has shown no support or evidence to support the preliminary injunction requisites and in fact, it omitted information and documents which suggest that funds withheld were justifiably and properly withheld. By reason of the foregoing, Defendant Stephen Poorman, respectfully requests that Plaintiff's Motion be dismissed for lack of jurisdiction and that Plaintiff's Motion for Injunction Relief be denied.

By:



STEPHEN P. POORMAN

Pro Se

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA  
CIVIL ACTION

JUNIATA LAKE PROPERTIES, LLC and  
DUBOIS COUNTRY CLUB, LTD.  
Plaintiffs

VS

No. 03-1572-CD

STEPHEN POORMAN & COMPANY, INC.  
And STEPHEN POORMAN  
Defendants

**CERTIFICATE OF SERVICE**

I, STEPHEN POORMAN, hereby certify that a true and correct copy of the  
Foregoing MEMORANDUM OF LAW IN SUPPORT OF DEFENDANT STEPHEN  
POORMAN'S ANSWER TO MOTION FOR PRELIMINARY INJUNCTIVE  
RELIEF sent via United States mail, postage prepaid, on October 22, 2003, address  
to the following:

Mr. Scott J. Moore  
420 North Fourth Street  
DuBois, Pennsylvania 15801

Bernard P. Matthews, Esquire  
Meyer, Darragh Buckler Bebenek & Eck, P.L.L.C.  
114 South Main Street  
Greensburg, Pennsylvania 15601-3102

By:   
Stephen P. Poorman, Pro Se  
143-147 East Main Street  
Lock Haven, Pennsylvania 17745

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

JUNIATA LAKE PROPERTIES, LLC and  
DUBOIS COUNTRY CLUB, LTD,

Plaintiffs,

vs.

STEPHEN POORMAN & COMPANY,  
INC. and STEPHEN POORMAN,

Defendants.

CIVIL DIVISION

No. 03-1572-CD

**COMPLAINT IN EQUITY FOR  
INJUNCTIVE RELIEF AND AN  
ACCOUNTING**

Filed on Behalf of Plaintiffs, Juniata Lake  
Properties, LLC and Dubois Country  
Club, LTD

Counsel of Record for this Party:

BERNARD P. MATTHEWS, JR., ESQ.  
PA. I.D. #54880

MEYER, DARRAGH, BUCKLER,  
BEBENEK & ECK, P.L.L.C.

Firm No. 198  
114 South Main Street  
Greensburg, PA 15601-3102

Telephone No.: (724) 836-4840

Fax No.: (724) 836-0532

JURY TRIAL DEMANDED

I hereby certify this to be a true  
and attested copy of the original  
statement filed in this case.

OCT 20 2003

Attest.

*William L. Shaw*  
Prothonotary/  
Clerk of Courts

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

JUNIATA LAKE PROPERTIES, LLC and  
DUBOIS COUNTRY CLUB, LTD,

Plaintiffs,

vs.

STEPHEN POORMAN & COMPANY,  
INC. and STEPHEN POORMAN,

Defendants.

CIVIL DIVISION

No.

**NOTICE TO DEFEND**

You have been sued in court. If you wish to defend against the claims set forth in the following pages, you must take action within twenty (20) days after this complaint and notice are served, by entering a written appearance personally or by attorney and filing in writing with the court your defenses or objections to the claims set forth against you. You are warned that if you fail to do so the case may proceed without you and a judgment may be entered against you by the Court without further notice for any money claimed in the complaint or for any claim or relief requested by the Plaintiff. You may lose money or property or other rights important to you.

YOU SHOULD TAKE THIS PAPER TO YOUR LAWYER AT ONCE. IF YOU DO NOT HAVE OR KNOW A LAWYER, TELEPHONE THE OFFICE SET FORTH BELOW TO FIND OUT WHERE YOU CAN GET LEGAL HELP.

IF YOU CANNOT AFFORD TO HIRE A LAWYER, THIS OFFICE MAY BE ABLE TO PROVIDE YOU WITH INFORMATION ON AGENCIES THAT MAY OFFER LEGAL SERVICES TO ELIGIBLE PERSONS AT A REDUCED FEE OR NO FEE.

David S. Meholick, Court Administrator  
228 Courthouse  
230 E. Market Street  
Clearfield, PA 16830

(814) 765-2641, Ext. 5982

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

JUNIATA LAKE PROPERTIES, LLC and  
DUBOIS COUNTRY CLUB, LTD,

Plaintiffs,

vs.

STEPHEN POORMAN & COMPANY,  
INC. and STEPHEN POORMAN,

Defendants.

CIVIL DIVISION

No.

**COMPLAINT IN EQUITY FOR INJUNCTIVE RELIEF AND AN ACCOUNTING**

**AND NOW** come the plaintiffs, Juniata Lake Properties, LLC and Dubois Country Club, LTD, by and through their attorneys, **MEYER, DARRAGH, BUCKLER, BEBENEK & ECK, P.L.L.C. and Bernard P. Matthews, Jr.**, and file the following Complaint in Equity for Injunctive Relief and an Accounting, stating as follows:

1. Juniata Lake Properties, LLC is a Pennsylvania Limited Liability Company with a principal place of business located at 10 Lakeside Avenue, Dubois, Clearfield County, Pennsylvania. Juniata Lake Properties, LLC shall hereafter be referred to as "JLP".

2. Dubois Country Club, LTD is a Pennsylvania Business Corporation created for the purposes of leasing, managing and operating the golf course and country club known as Dubois Country Club, with a principal business address of 10 Lakeside Avenue, Dubois, Clearfield County, Pennsylvania. Dubois Country Club, LTD shall hereafter be

referred to as "DCC".

3. Stephen Poorman & Company, Inc. is a Pennsylvania Business Corporation with a principal place of business located at 143-147 East Main Street, Suite 2D, Lock Haven, Pennsylvania 17745. Stephen Poorman & Company, Inc. shall hereafter be referred to as "Poorman & Company".

4. Stephen Poorman is an adult individual and the President of Poorman & Company. It is believed that Poorman resides in Lock Haven, Pennsylvania.

5. On or about October 16, 2002, various persons, including Stephen Poorman, entered into an Operating Agreement forming JLP for the purpose of acquiring and thereafter managing the real property comprising Dubois Country Club, leasing golf carts and equipment for the club, holding a liquor license, developing land and investing sufficient funds to continue the operation of a non-profit corporation formerly known as Dubois Country Club. A true and correct copy of the original Operating Agreement of JLP dated October 16, 2002 is attached hereto as Exhibit "A".

6. In connection with the creation of JLP, JLP acquired the assets of the former non-profit corporation known as Dubois Country Club and subsequently leased those assets to DCC for the operation of Dubois Country Club.

7. Under the original Operating Agreement, at Section 5.01, Poorman & Company was designated to provide oversight and development efforts to the

Management Committee of JLP.

8. Under the original Operating Agreement, at Section 8.01, all funds of JLP were to be deposited into such checking account or other accounts in such banking institutions as the Members shall designate, and Poorman & Company had authority to sign checks not exceeding \$5,000.00 without approval of two Members.

9. Section 8.01 of the original Operating Agreement also provided:

“Initially, and for such time as may be determined by the Members, Company monies shall be deposited in a Merrill Lynch WCMA account, or in an interest bearing account with a local financial institution. Members’ contributions, loan proceeds and income shall be deposited in the aforesaid account and all expenses shall be paid therefrom.”

10. According to a report from Poorman & Company’s “Accounting Department” dated September 8, 2003 (attached as Exhibit “B”), \$590,000 in Member capital contributions had previously been transmitted to Poorman & Company for deposit in accounts owned by JLP.

11. On October 9, 2003, the Members of JLP conducted a special meeting and unanimously voted to amend Section 5.01 and 8.01 pursuant to the terms of the Resolution attached hereto as Exhibit “C”.

12. Under the October 9, 2003 Resolution, Poorman & Company was no longer authorized to expend funds and was directed “to immediately transfer and/or return to the Company any funds, monies or assets owned by the Company or Dubois Country Club,

LTD which are maintained and/or held in accounts under the possession of Stephen Poorman & Company, Inc.”

13. Poorman & Company and Stephen Poorman were provided with a copy of the October 9, 2003 Resolution via facsimile letter on October 10, 2003, a true and correct copy of which is attached hereto as Exhibit “D”.

14. In response to the facsimile of October 10, 2003, Poorman & Company and Poorman responded in a letter dated October 13, 2003 as follows:

“After consultation with our Attorney, we are withholding (i) \$137,812.39 for the amount due under the Management Agreement (ii) \$30,278.24 for my 3.85% equity ownership in the Limited Liability Company and (iii) \$32,000.00 for day-to-day management services from October 1, 2002 through and including September 30, 2003.

Juniata Lake Properties, LLC currently has \$200,894.81 (including the Capital Crossing Bank Bond which matures October 10, 2003) in our escrow account and \$28,666.21 in the Sovereign operating account; DuBois Country Club, LTD currently has \$4,379.89 in the CSB Bank checking account. Thus, we will be returning \$33,850.28. You may send an accountant to our office to review the accounts or any other documents to verify the above sums.”

A true and correct copy of Poorman & Company’s letter dated October 13, 2003 is attached hereto as Exhibit “E”.

15. On or about October 14, 2003, JLP and DCC received two checks from Poorman & Company and Poorman in the amount of \$28,666.21 and \$804.18, respectively. Both checks contained restrictive endorsements unilaterally attached by

Poorman & Company providing that endorsement of the checks represents an acknowledgment that all funds have been returned, releases Poorman & Company from all claims, and serves as an acknowledgment that Poorman & Company has returned all funds to JLP and DCC "from the beginning of time to the date hereof". A true and correct copy of said checks and the restrictive endorsements thereon is attached hereto as Exhibit "F".

16. Poorman & Company and Stephen Poorman have failed and/or refused to return to JLP and DCC all funds, monies or assets owned by JLP or DCC which are maintained and/or held in accounts under the possession and control of Poorman & Company and Stephen Poorman, as required by Resolution dated October 9, 2003, including at least the sum of \$233,940.91 outlined in Exhibit "E".

17. JLP and DCC currently have accounts payable totaling at least \$57,266.23.

18. Because Poorman & Company and Stephen Poorman have failed and/or refused to return to JLP and DCC funds that JLP and DCC own, JLP and DCC currently have only \$27,025.76 with which to operate the Country Club.

19. Without injunctive relief, JLP and DCC will suffer irreparable harm as a result of the unilateral decision of Poorman & Company and Stephen Poorman to unlawfully withhold funds owned by JLP and DCC.

20. Poorman & Company and Stephen Poorman are in breach of the Operating

Agreement of JLP by failing and/or refusing to return funds owned by JLP and DCC pursuant to the October 9, 2003 Resolution.

**WHEREFORE**, Juniata Lake Properties, LLC and Dubois Country Club, LTD, respectfully request that this Honorable Court enter a special, preliminary and permanent injunction enjoining and directing Stephen Poorman & Company, Inc., Stephen Poorman and all persons and banking institutions acting in concert with them and/or under their control to immediately transfer and/or return to Juniata Lake Properties, LLC and Dubois Country Club, LTD any funds, monies or assets owned by Juniata Lake Properties, LLC or Dubois Country Club, LTD which are maintained and/or held in accounts under the possession and control of Stephen Poorman & Company, Inc. and Stephen Poorman, including but not limited to at least the sum of \$233,940.91 identified in the letter dated October 13, 2003 from Stephen Poorman & Company, Inc. which is attached hereto as Exhibit "E".

#### **ACCOUNTING**

21. The allegations of paragraphs 1 through 20 above are incorporated herein by reference as if the same were set forth fully here and at length.

22. Under the original Operating Agreement, all funds of the Company, including \$590,000 in Member contributions, were transferred to accounts controlled or possessed by Stephen Poorman & Company and/or Stephen Poorman.

23. By their own admission, Poorman & Company and Stephen Poorman have expended at least \$356,059.09 of the funds of JLP and DCC without accounting to the Members of JLP and DCC for the expenditure of said funds.

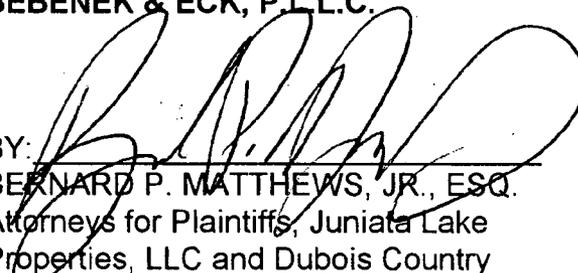
24. Poorman & Company and Stephen Poorman have failed and/or refused to provide accounting for expenditure of said funds.

25. JLP and DCC believe and, therefore, aver that funds have been expended by Poorman & Company and Stephen Poorman in violation of the Operating Agreement.

**WHEREFORE**, pursuant to Pa. R.C.P. 1530, plaintiffs, Juniata Lake Properties, LLC and Dubois Country Club, LTD, demand an immediate accounting of all of plaintiffs' funds expended by Poorman & Company and Stephen Poorman.

Respectfully submitted,

**MEYER, DARRAGH, BUCKLER,  
BEBENEK & ECK, P.L.L.C.**

BY:   
BERNARD P. MATTHEWS, JR., ESQ.  
Attorneys for Plaintiffs, Juniata Lake  
Properties, LLC and Dubois Country  
Club, LTD

**JURY TRIAL DEMANDED**

**VERIFIED STATEMENT**

I, BERNARD P. MATTHEWS, JR., ESQUIRE, being the attorney for plaintiffs herein, am duly authorized to make this verified statement on their behalf as the verified statement of plaintiffs cannot be obtained in time for the filing of this pleading. I hereby verify that the statements set forth in the within Complaint in Equity for Injunctive Relief and an Accounting are true and correct to the best of my knowledge, information and belief.

I understand that false statements made herein are subject to the penalties of 18 Pa. C.S. Section 4904, relating to unsworn falsification to authorities.

  
BERNARD P. MATTHEWS, JR., ESQUIRE

Date: 10/19/03

# **Operating Agreement**

**ORIGINAL**

## **Juniata Lake Properties, LLC** a Pennsylvania Limited Liability Company Ownership of Real Estate and Rental of Equipment

**October 16, 2002**



# OPERATING AGREEMENT LIMITED LIABILITY COMPANY

**THIS OPERATING AGREEMENT**, made this 16th. day of October, 2002, by and among L. Rocky Cristini, Brockport, Pennsylvania, Lindo Cristini, DuBois, Pennsylvania, Ronnie G. Emanuelson, DuBois, Pennsylvania, Don H. Erickson, III, DuBois, Pennsylvania, D. H. Erickson, Jr., DuBois, Pennsylvania, George M. Fatula, DuBois, Pennsylvania, Donald R. Fezell, DuBois, Pennsylvania, George L. Gent, DuBois, Pennsylvania, Robert M. Hallstrom, DuBois, Pennsylvania, James R. Hartzfeld, DuBois, Pennsylvania, Donald E. Jewell, DuBois, Pennsylvania, Joseph A. Kirk, DuBois, Pennsylvania, Richard T. Kirsch, DuBois, Pennsylvania, Michael J. Kush/Cheryl Kush, DuBois, Pennsylvania, Kenneth C. Lezzer, Curwensville, Pennsylvania, Scott J. Moore, DuBois, Pennsylvania, Theron G. Noble, Clearfield, Pennsylvania, Kevin Kush/JoAnne R. O'Donnell, DuBois, Pennsylvania, James S. Osburn, III, DuBois, Pennsylvania, Mark A. Piasio, DuBois, Pennsylvania, Stephen P. Poorman, Lock Haven, Pennsylvania, Ted L. Reitz, DuBois, Pennsylvania, Charles Reynolds, DuBois, Pennsylvania, Vernon L. Shaffer, Jr., DuBois, Pennsylvania, Ronald N. Statler, DuBois, Pennsylvania and P. Joseph Valigorsky, II, DuBois, Pennsylvania, hereinafter referred to as "Member" or collectively as "Members".

WITNESSETH:

WHEREAS, the parties have agreed to organize and operate a limited liability company in accordance with the terms and subject to the conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein, and further intending to be legally bound hereby, the parties agree as follows:

## ARTICLE I GENERAL DEFINITIONS

1.00 The following terms shall have the meaning specified in this Article I. Other terms are defined in the text of this Agreement, and, throughout this Agreement, those terms shall have the meanings respectively ascribed to them.

1.01 "Agreement" means this Operating Agreement, as amended from time to time.

1.02 "Code" means the Internal Revenue Code of 1986, as amended, or any corresponding provision of any succeeding law.

1.03 "Company" means the limited liability company formed in accordance with this Agreement.

1.04 “DuBois Country Club” means a non-profit Pennsylvania corporation that is selling all of its Real Estate and Assets to the Company.

1.05 “Facility” means the operation known as DuBois Country Club located at 10 Lakeside Avenue, DuBois, Jefferson County, Pennsylvania.

1.06 “Interest” means a Member’s share of the Profits and Losses of, and the right to receive distributions and a return of capital contributions from, the Company.

1.07 “Involuntary Dissociation” means, with respect to any Member, the occurrence of any of the events set forth in Code Section 8971(a)(4).

1.08 “Law” means the Pennsylvania Limited Liability Company Law of 1994, 15 Pennsylvania Consolidated Statutes, Chapter 89, as amended from time to time.

1.09 “Management Committee” means a group of five (5) Members selected by the Members to operate the Company.

1.10 “Member” means each Person signing this Agreement and any Person who subsequently is admitted as a member of the Company.

1.11 “Membership Rights” means all of the rights of a Member in the Company, including a Member’s: (i) interest; (ii) right to inspect the Company’s books and records; (iii) right to participate in the management of and vote on matters coming before the Company; and (iv) unless this Agreement or the Certificate of Organization provide to the contrary, right to act as an agent of the Company.

1.12 The corporation will be formed by company to operate DuBois Country Club and it will be known as DuBois Country Club, Ltd.

1.13 “Percentage” means, as to a Member, the percentage set forth after the Member’s name in Section 2.06 below, as amended from time to time, and as to an Interest Holder who is not a Member, the Percentage of the Member whose Interest has been acquired by such Interest Holder, to the extent the Interest Holder has succeeded to that Member’s Interest.

1.14 “Person” means and includes an individual, corporation, partnership, association, limited liability company, trust, estate, or other entity.

1.15 “Regulation” means the income tax regulations, including any temporary regulations, from time to time promulgated under the Code.

1.16 “Stephen Poorman & Company, Inc.” means a for-profit Pennsylvania corporation located at 143-147 East Main Street, Lock Haven, Clinton County, Pennsylvania, that provides management support to the Company and Newco.

1.17 "Transfer" means, when used as a noun, any voluntary sale, hypothecation, pledge, assignment, attachment, or other transfer; and, when used as a verb, means voluntarily to sell, hypothecate, pledge, assign, or otherwise transfer.

## ARTICLE II ORGANIZATION

2.01 Organization. The parties shall organize a limited liability company pursuant to the Law and the provisions of this Agreement and, for that purpose, shall cause the Certificate of Organization, in the form attached as Exhibit A, to be executed and filed for record with the Pennsylvania Department of State.

2.02 Name of the Company. The name of the Company shall be "Juniata Lake Properties, LLC". The Company may do business under that name, under the trade name "DuBois Country Club," or under any other name or names upon which the Members agree. If the Company does business under a name other than that set forth in its Certificate of Organization, then the Company shall file a fictitious name registration if required by law.

2.03 Purpose. The Company is organized for the purpose of (i) managing the Facility (ii) leasing golf carts and equipment to Newco (iii) leasing equipment from third parties (vi) holding a liquor license (v) developing land and (iv) conducting such other lawful business as may be agreed upon by the Members. The Company will purchase equipment and real estate from the DuBois Country Club and lease same to Newco under a Golf, Restaurant and Office Equipment Lease and Agreement of Lease for real estate.

2.04 Term. The term of the Company shall begin upon the filing of a Certificate of Organization with the Pennsylvania Department of State and shall continue in perpetuity, unless its existence is sooner terminated pursuant to Section VII of this Agreement.

2.05 Principal Office. The registered office shall be 143-147 East Main Street, Lock Haven, Clinton County, Pennsylvania and the principal place of business shall be 10 Lakeside Avenue, DuBois, Clearfield County, Pennsylvania, or such other place or places as may be mutually agreed upon by the Members.

2.06 Members.

206.1 The name, present mailing address, taxpayer identification number, and Percentage of each Member are as follows:

1. Name: L. Rocky Cristini  
Address: 8234 Route 153  
Brockport, PA 15823  
SSN:  
Percentage: 3.85%

2. Name: Lindo Cristini  
Address: R. D. 3, Box 31  
DuBois, PA 15801  
SSN:  
Percentage: 3.85%
3. Name: Ronnie G. Emanuelson  
Address: 517 E. Sheridan Avenue  
DuBois, PA 15801  
SSN: 166-34-3460  
Percentage: 3.85%
4. Name: Don H. Erickson, III  
Address: 2004 Green Glen Drive  
DuBois, PA 15801  
SSN: 159-42-8855  
Percentage: 3.85%
5. Name: Don H. Erickson, Jr.  
Address: 404 E. Sheridan Avenue  
DuBois, PA 15801  
SS:  
Percentage: 3.85%
6. Name: George M. Fatula  
Address: 529 Sunflower Drive  
DuBois, PA 15801  
SSN: 168-36-0914  
Percentage: 3.85%
7. Name: Donald R. Fezell  
Address: P. O. Box 545  
DuBois, PA 15801  
SSN: 184-30-5888  
Percentage: 3.85%
8. Name: George L. Gent  
Address: 219 Wayne Road  
DuBois, PA 15801  
SSN: 170-26-3157  
Percentage: 3.85%

9. Name: Robert M. Hallstrom, AIA  
Address: 1554 Treasure Lake  
DuBois, PA 15801  
SSN: 179-42-8737  
Percentage: 3.85%
10. Name: James R. Hartzfeld  
Address: 9 Lakeside Avenue  
DuBois, PA 15801  
SS: 205-34-6446  
Percentage: 3.85%
11. Name: Donald E. Jewell  
Address: P. O. Box 1102  
DuBois, PA 15801  
SSN: 184-46-7304  
Percentage: 3.85%
12. Name: Joseph A. Kirk  
Address: 301 S. Main Street  
DuBois, PA 15801  
SSN: 208-30-1870  
Percentage: 3.85%
13. Name: Richard T. Kirsch  
Address: 105 Old Woods Road  
DuBois, PA 15801  
SSN: 194-36-7287  
Percentage: 3.85%
14. Name: Dr. Michael J. and Cheryl Kush  
Address: 90 Beaver Drive, Box 14  
DuBois, PA 15801  
SSN: 354-38-5265 and 373-56-5010  
Percentage: 3.85%
15. Name: Kenneth C. Lezzer  
Address: P. O. Box 21  
Curwensville, PA 16833  
SSN: 171-46-9278  
Percentage: 3.85%
16. Name: Scott J. Moore  
Address: 420 North Fourth Street  
DuBois, PA 15801  
SSN: 160-48-3892  
Percentage: 3.85%

- Name: Theron G. Noble squire  
Address: 301 E. Pine Street  
Clearfield, PA 16830  
SS: 189-44-0449  
Percentage: 3.85%
18. Name: Kevin and JoAnne R. O'Donnell  
Address: 111 E. Second Avenue  
DuBois, PA 15801  
SSN: 167-42-0830 Kevin 159-42-8985 Joanne  
Percentage: 3.85%
19. Name: Mark A. Piasio, M.D.  
Address: 705 Treasure Lake  
DuBois, PA 15801  
SSN: 126-42-7848  
Percentage: 3.85%
20. Name: Ted L. Reitz  
Address: 313 E. Sheridan Avenue  
DuBois, PA 15801  
SSN: 197-28-7550  
Percentage: 3.85%
21. Name: Charles Reynolds, CLU  
Address: R. D. #3, Box 129C  
DuBois, PA 15801  
SSN: 211-36-4267  
Percentage: 3.85%
22. Name: Vernon L. Shaffer, Jr.  
Address: 26 Treasure Lake  
DuBois, PA 15801  
SSN: 556-80-9203  
Percentage: 3.85%
23. Name: Ronald N. Statler, D.M.D.  
Address: R. R. #4, Box 630  
DuBois, PA 15801  
SSN: 171-46-9644  
Percentage: 3.85%
24. Name: P. Joseph Valigorsky, II, M.D.  
Address: 902 Chestnut Avenue  
DuBois, PA 15801  
SSN: 167 42 0 334  
Percentage: 3.85%

Name: James S. Osburn,  
Address: 501 Liberty Boulevard, P. O. Box 524  
DuBois, PA 15801  
SSN:  
Percentage: 3.85%

26. Name: Stephen P. Poorman  
Address: 143-147 East Main Street  
Lock Haven, PA 17745  
SSN: 211-38-1473  
Percentage: 3.85%

206.2 Any Member shall have the right to convey his or her interest in the Company to his or her spouse so that the Member and his or her spouse would own the interest jointly. If a Member shall elect to do this, then the Member shall immediately notify the Management Committee. Both the original Member and his or her spouse would then be considered Members, but their joint interest would be limited to the original Member's percentage interest. The Member and his or her spouse must vote as one vote and if unable to agree, the original Member shall have the right to cast the vote for both.

### ARTICLE III CAPITAL

3.01 Capital Accounts. A separate Capital Account shall be maintained for each Member. The Company's profits shall be credited to the Capital Account of each Member and the Company's losses shall be charged to such accounts. If the Capital Account of a Member becomes impaired, his share of subsequent Company profits shall first be credited to his Capital Account until the account has been restored.

3.02 Initial Capital Contributions. Upon the execution of this Agreement, the Members shall contribute to the Company cash in the amounts respectively set forth below:

L. Rocky Cristini	\$30,000.00
Lindo Cristini	\$30,000.00
Ronnie G. Emanuelson	\$30,000.00
Don H. Erickson, III	\$30,000.00
Don H. Erickson, Jr.	\$30,000.00
George M. Fatula	\$30,000.00
Donald R. Fezell	\$30,000.00
George L. Gent	\$30,000.00
Robert M. Hallstrom, AIA	\$30,000.00
James R. Hartzfeld	\$30,000.00
Donald E. Jewell	\$30,000.00
Joseph A. Kirk	\$30,000.00
Richard T. Kirsch	\$30,000.00
Dr. Michael J. and Cheryl Kush	\$30,000.00
Kenneth C. Lezzer	\$30,000.00
Scott J. Moore	\$30,000.00

Theron G. Noble, Esquire	\$30,000.00
Kevin and Joanne R. O'Donnell	\$30,000.00
James S. Osburn, III	\$30,000.00
Mark A. Piasio, M.D.	\$30,000.00
Ted L. Reitz	\$30,000.00
Charles Reynolds, CLU	\$30,000.00
Vernon L. Shaffer, Jr.	\$30,000.00
Ronald N. Statler, D.M.D.	\$30,000.00
P. Joseph Valigorsky, II, M.D	\$30,000.00
Stephen P. Poorman	\$30,000.00 *

\*contribution will be made vis-à-vis reduced management fees.

3.03 Installment Capital Contributions. Any Member who opts to pay the Initial Capital Contributions in installments as hereinafter set forth, shall pay interest at the rate of four (4%) percent, compounded annually. The Member shall remit payments to the Principal office at the Company as follows:

September 15, 2002	\$ 1,000.00
October 15, 2002	\$10,000.00
March 31, 2003	\$ 7,000.00
December 31, 2003	\$ 6,000.00
March 31, 2004	\$ 6,000.00
March 31, 2004	\$ 786.13 (Accumulated Interest)

3.04 Any Member who should fail or refuse to make his Initial Capital Contribution, or the Installment Capital Contribution(s), within thirty (30) days of the due dates established in this Article, shall forfeit one-half (1/2) of his paid-in capital and same shall be added to the capital account of those Members who paid in accordance with the terms of this Agreement.

3.05 Additional Capital Contributions. If, pursuant to Agreement, the Members, at any time or from time to time, determine that the Company requires additional Capital Contributions, then each Member shall contribute his share of additional Capital Contributions. A Member's share of the additional Capital Contributions shall be equal to the product obtained by multiplying the Member's percentage and the total additional Capital Contributions required. Within thirty (30) days after the Members have determined the amount of additional Capital Contribution required, each Member shall pay the Member's share, in cash or by bank treasurer's check, to the Company. This capital contribution may be adjusted depending on borrowing needs.

3.06 Interest on Capital Contributions. No interest shall be due except as set forth in Paragraph No. 3.03 above.

3.07 Return of Capital Contributions. No Member shall withdraw any portion of the initial capital of the Company without the express written consent of the other Members.

3.08 Loans. Any Member may, at any time, make or cause a loan to be made to the Company in any amount and on those terms upon which the Company and the Member agree.

**ARTICLE IV  
PROFIT, LOSS AND DISTRIBUTIONS**

4.01 Allocating Profit or Loss. The net profits and losses of the Company shall be borne by the individual Members and in proportion as their interest may appear. The distribution of the net profits of the Company, pursuant to this paragraph, shall be made to the Members or to any individual Member on a quarterly basis and the Company shall maintain no more than \$10,000.00 in its Operating Account after December 31, 2004.

4.02 Distributions. The net profits from operations or the return of Loan principal and interest of the Company may be distributed to the Members pursuant to their agreement. The term "net profit" shall mean the net profits of the Company as determined by the certified public accountant for the Company. The Company shall appoint an Accountant to serve for such time as shall be determined by the Company at its sole discretion.

4.03 All profit and loss shall be allocated, and all distributions shall be made to the Members shown on the records of the Company, as of the last day of the taxable year for which the allocation or distribution is to be made.

**ARTICLE V  
MANAGEMENT: RIGHTS, POWERS & DUTIES**

5.01 Management. The Company shall be managed by a five (5) member Management Committee. The initial Management Committee shall be comprised of Scott J. Moore, Richard T. Kirsch, Donald R. Fezell, Joseph A. Kirk and Ronald N. Statler. The Management Committee Members will be elected each year at the annual meeting described hereinafter. The Company, through its Management Committee, will execute a Management Agreement with SPC for oversight and development efforts to its Management Committee and Newco. A copy of the aforesaid agreement is attached hereto, marked "Exhibit B," and made a part hereof.

5.02 Meetings of and Voting by Members.

5.02.1 An annual meeting of the Members of the Company shall be held in each calendar year at the Facility, commencing with the year 2003, at such time and on such date as Members holding at least fifty percent (50%) of the Percentages then held by Members may determine, or if the Members fail to set a time and date, at 10:00 A.M., on the 2<sup>nd</sup> day of January. At such annual meeting there shall be the conduct of such business as may come before the Members.

5.02.2 In addition to the annual meeting, a special meeting of the Members may be called at any time by those Members holding at least fifty percent (50%) of the Percentages then held by Members. Not less than ten (10) nor more than ninety (90) days before each meeting,

the Member calling the meeting shall give written notice of the meeting to each Member entitled to vote at the meeting. The notice shall state the time, place, and purpose of the meeting. Notwithstanding the foregoing provisions, each Member who is entitled to notice waives notice if before or after the meeting the Member signs a waiver of the notice which is filed with the records of Members' meetings, or is present at the meeting in person or by proxy. Unless this Agreement provides otherwise, at a meeting of Members, the presence in person or by proxy of Members holding not less than fifty percent (50%) of the Percentages then held by Members constitutes a quorum. A Member may vote either in person or by written proxy signed by the Member or by his duly authorized attorney-in-fact.

5.02.3 Except as otherwise provided in this Agreement, wherever this Agreement requires the approval of the Members, the affirmative vote of Members holding more than fifty percent (50%) of the Percentages then held by Members shall be required to approve the matter.

5.03 Consent. Members may act by unanimous written consent, or by partial written consent by the holders of a majority of the Percentages then held by Members, and such consent shall have the same force and effect as if such action were by vote at a duly authorized meeting of Members. Wherever the Law requires unanimous consent to approve or take any action, such consent shall, in all cases, mean the consent of all Members.

5.04 Officers. Scott J. Moore shall be the initial President and Richard T. Kirsh shall be the initial Secretary/Treasurer of the Company. Officers will be elected each year at the annual meeting described above.

5.05 Duties of Parties.

5.05.1 Each Member shall devote such substantial time, attention and skills to the furtherance of the Company business as may be appropriate. This shall include, but shall not be limited to, the review of all reports, documents, communication with management and meeting attendance.

5.05.2 Nothing in this Agreement shall be deemed to restrict in any way the rights of any Member to conduct any other business or activity whatsoever, and the Member shall not be accountable to the Company or to any Member with respect to that business or activity; provided, however, that said business or activity shall not interfere with the purposes of the Company.

5.06 Liability and Indemnification.

5.06.1 Without the consent of all Members, no Member on behalf of the Company shall endorse any note, or act as an accommodation party, or otherwise become surety for any person, borrow or lend money, make, deliver or accept any commercial paper, execute any mortgage, bond or lease, or purchase or contract to purchase, or sell or contract to sell, any property bought and sold in the regular course of its business. No Member shall mortgage his share in the Company or in its capital assets or property, or enter into any agreement as a result of which any person shall become interested with him in the Company, or do any act detrimental to the business interest of the Company or which would make it impossible to carry on the ordinary course of the Company. Any obligation incurred in violation of this provision shall be charged and collected from the individual Member incurring such obligation. The Company will assess a 10% penalty if any Member should fail to make required contributions due within ten (10) days from the date they are notified of the obligation.

5.06.2 The President shall be authorized to initially execute loan documents to (i) borrow money/assume debt up to a maximum of Three Hundred Twenty-Five Thousand (\$325,000.00) Dollars to be repaid over eighty-four (84) equal monthly installments and (ii) to borrow a maximum of One Hundred Fifty Thousand (\$150,000.00) Dollars under a business "Line of Credit" with CSB or M&T Bank for the purpose of refinancing debt to acquire the assets of The DuBois Country Club as described in Paragraph No. 2.1 and debt described in Paragraph 4.2 of an Asset Purchase Agreement attached hereto and marked Exhibit "C."

5.06.3 The Company shall indemnify each Member for any act performed by the Member with respect to Company matters, except for willful misconduct or recklessness or an intentional breach of this Agreement, to the full extent permitted by law.

5.07 Nondisclosure. No Members shall disclose to the general membership of DuBois Country Club or to any competitor, or to any third party, the subject matter of any Company meetings or Company business, including but not limited to Communication and documentation, without first obtaining the written consent of the President. If any Member shall disclose this information and if the Company suffers any loss, financial or otherwise, the offending Member shall make the Company whole.

**ARTICLE VI**  
**TRANSFER OF INTEREST/WITHDRAWAL OF MEMBERS**

6.01 Transfers Prohibited. Except as otherwise provided in this Agreement, a Member may not Transfer all, or any portion of, or any interest or rights in, the Membership Rights owned by the Member. Each Member hereby acknowledges the reasonableness of this prohibition in view of the purposes of the Company and the relationship of the Members. Any Transfer of any Membership Rights in violation of this Agreement shall be deemed invalid, null and void, and of no force or effect; and the transferee of the Membership Rights shall not be entitled to vote on matters affecting management of the Company, act as an agent of the Company, receive distributions, or have any other right in or with respect to the Company.

6.02 Transfer of Interest.

6.02.1 Any Member may withdraw from the Company at the close of any calendar year as specifically set forth in this Agreement.

6.02.2 The withdrawing Member shall notify the other Members of his intention to withdraw in writing delivered to the other Members at least ninety (90) days prior to the end of said year.

6.02.3 The other Members shall have the option to purchase the Company interest of the withdrawing Member in equal shares upon the terms set forth in this Article. The other Members shall exercise the option herein granted to them by delivering to the withdrawing Member at least sixty (60) days prior to the end of said Company year a written notice of their agreement to purchase the Company interest of the withdrawing Member on the terms herein set forth.

6.02.4 If the other Members fail to exercise the option to purchase the interest of the withdrawing Member, the withdrawing Member shall immediately notify the Member or Members who have exercised their respective purchase option, and such Member or Members shall have the additional option of purchasing in equal shares the withdrawing Member's entire interest in the Company, which additional option may be exercised within thirty (30) days after their receipt of the aforementioned written notice from the withdrawing Member.

6.02.5 The interest of any Member shall be automatically transferred in accordance with Paragraph No. 3.04 of this Agreement.

6.02.6 If options to purchase the entire interest of the withdrawing Member are not exercised, the Company shall buy back the interest or in the alternative, the Company shall be liquidated.

6.03 Death of Member. Upon the death of any Member, his estate shall sell and surviving Members shall purchase the decedent's interest of the Company. The terms of sale shall be determined pursuant to this Article.

6.04 Purchase Price. The Purchase Price for the sale and purchase of any Company interest under this Agreement shall be equal to the sum of the following:

6.04.1 The Member's Capital Account at the end of the fiscal year preceding the date of sale plus or minus the net earnings or losses of the Company properly allocated to the Company's interest being sold since that date, up to the end of the month preceding the offer of the selling Member or in the case of the deceased Member the end of the month preceding the date of death of the deceased Member.

6.05 Assets and Liabilities. For purposes of the sale of the Company interest, the assets and liabilities of the Company shall be reflected by the Accountant for the Company on the accrual basis, without any allowance for goodwill or other intangible assets. The price for the Company's interest to be sold determined as herein before provided, shall be reduced, however, by the selling Member's (or his estate) proportionate share of an amount needed as a reserve for any unpaid taxes or contingent liabilities to which the Company may be subject. Said reserve shall be set aside in an escrow account, which account, if possible, shall be an interest bearing account and shall be disbursed to the satisfaction of those liabilities for which the same was established if and when the same arise and become payable. If not sooner distributed, any portion of the escrow account not disbursed, for such purposes within one (1) year from the date of sale shall be remitted to the selling and purchasing parties at that time if there then remains no unsatisfied liability against the which said account was established.

6.06 Payment of Purchase Price. The Purchase Price for the sale of a Company interest hereunder, unless otherwise agreed by the parties to said sale, shall be paid as follows:

6.06.1 Twenty (20%) percent thereof shall be payable two (2) months after the date of closing.

6.06.2 The balance thereof shall be paid in four (4) additional equal, successive annual installments, together with interest on the unpaid balance at a rate equal to National Prime + 1% as of the date of closing under this Agreement by reference to Section 1274 of the U.S. Internal Revenue Code.

6.07 Closing. Upon the completion of the Agreement for the sale and purchase of the Company interest of the withdrawing or deceased Member, the parties thereto shall agree upon a closing date which shall be held within thirty (30) days of the completion of the said agreement. All instruments of conveyance shall be delivered at Closing.

6.08 Documents. The purchasing Member shall deliver to the selling Member at Closing their duly executed promissory notes setting forth the terms of payment as herein before provided, which notes shall also contain a confession of judgment in the full amount of the unpaid balance of the Purchase Price and a waiver of exemption and a release of all errors and shall provide for the acceleration in payment of the entire balance due upon default for forty-five (45) days and the payment of principal or interest hereunder. In addition, the selling Member shall be entitled to a lien upon the Company assets as further security for the payment of the Purchase Price. The purchasing Members shall assume all Company liabilities of the selling Member and shall indemnify and save harmless the selling Member from any liability or loss arising from such Company liabilities. Such written instruments as shall be necessary to effectuate this provision shall be delivered at Closing. After the sale of the Company interest that is herein above provided, the selling Member, or the personal representative of a deceased Member whose Company's interest was sold, shall have no further interest in the Company or any of its assets or profits except as specified in the closing documents.

6.09 Profits and Losses Prior to Closing. All profits accruing and all losses suffered by the business after the valuation date for sale hereunder and up to the date of Closing shall be determined and shall be shared and borne by the Members in according with this Agreement. Payment to a departing Member or to a deceased Member's estate of such Member's proportionate share of Company profits during such period shall be made at the time of the payment of the first installment of the Purchase Price under this Article. The Member's proportionate share of any losses for such period may be deducted from the first installment of the Purchase Price.

## ARTICLE VII DISSOLUTION

7.01 Events of Dissolution. The Company shall be dissolved upon the happening of any of the following events:

- 7.01.1 When the period fixed for its duration in Section 2.04 has expired;
- 7.01.2 Upon the unanimous written agreement of the Members; or
- 7.01.3 Cessation of the operation of Newco or the Facility;
- 7.01.4 The final development or sale of the building(s) and land known as DuBois Country Club;
- 7.01.5 Upon a Member becoming bankrupt or executing an assignment for the benefit of creditors or the death, retirement, resignation, expulsion, or dissolution of a Member or the occurrence of any other event which terminates the continued membership of a member in the Company, unless the business of the Company is continued by the consent of a majority of the remaining Members given within ninety (90) days following such event.

7.01.6 Upon the inability of the Company, or Newco, to operate with net operating losses less than those established in Paragraph 11.1 of the Asset Purchase Agreement [Exhibit "C"].

7.02 Procedure for Winding Up. If the Company is dissolved, the remaining Members shall wind up its affairs. On winding up of the Company, the assets of the Company shall be distributed, first, to creditors of the Company, including Members who are creditors, in satisfaction of the liabilities of the Company and, then, to the Members in proportion of their respective percentages.

7.03 Certificate of Dissolution. Upon winding up of the Company, the members shall file an appropriate Certificate of Dissolution with the Secretary of State of the Commonwealth of Pennsylvania as required by law

## ARTICLE VIII MISCELLANEOUS

8.01 Bank Account. All funds of the Company shall be deposited in its name in such checking account or other accounts in such banking institutions as the Members shall designate. All withdrawals therefrom shall be made upon checks signed by Stephen P. Poorman except checks for major capital purchases or non-recurring expenses in excess of \$5,000.00, which checks shall require the signature or written approval of two Members. Stephen Poorman shall be authorized to sign checks in excess of \$5,000.00 during the development and construction phase of the Facility, provided however, that they relate directly to a contract for work that is approved by the President or Secretary-Treasurer. Initially, and for such time as may be determined by the Members, Company monies shall be deposited in a Merrill Lynch WCMA account, or in an interest bearing account with a local financial institution. Members' contributions, loan proceeds and income shall be deposited in the aforesaid account and all expenses shall be paid therefrom.

8.02 Books and Records. The Company books shall be maintained at the principal office of the Company and each Member shall at all times have access thereto. The books and records shall be maintained in accordance with sound accounting practices.

8.03 Annual Accounting Period. The calendar year of the Company shall end on the 31<sup>st</sup> day of October of each year. A complete accounting of the Company's affairs as of the close of business on the last day of October of each year shall be rendered to each Member within ninety (90) days after the close of each year.

8.04 Tax Matters Partner. SPC shall be the Tax Matters Partner of the Company for the purposes of IRC Section 6231.

8.05 Title to Company Property. All real and personal property acquired by the Company shall be acquired and held by the Company in its name unless otherwise agreed by the Members.

8.06 Company Assets. The Real Estate and Assets purchased by the Company are attached hereto, marked Exhibit "B," and made a part hereof.

8.07 Tax Status. The Company will file form(s) 8832 and 2553 to elect a Pennsylvania Sub Chapter S Corporation status for Federal and State income tax purposes within sixty (60) days of the date of this Agreement.

8.08 Disclosure. If any member has a financial interest with an entity that the company will deal with or if a member expects to receive financial remuneration for a transaction, said information shall be disclosed to the other members.

## ARTICLE IX GENERAL PROVISIONS

9.01 Legal Counsel. Roberts, Miceli & Boileau, 146 East Water Street, Lock Haven, Pennsylvania is hereby appointed legal counsel for the Company, to serve for such time as shall be determined by the Company in its sole discretion.

9.02 Assurances. Each Member shall execute all certificates and other documents and shall do all filing, recording, publishing, and other acts as the Members deem appropriate to comply with any laws, rules and regulations relating to the acquisition, operation, or holding of the property of the Company or for the operation of Newco, should it be formed.

9.03 Notifications. Any and all notices between the Members provided for or permitted under this Agreement or by law shall be in writing and shall be deemed duly served when deposited in the United States Mail, certified, postage prepaid, addressed to such Member at the address provided in Section 2.06 of the Agreement and addressed to the Company at the principal place of business of the Company or to such other places as may from time to time be specified in a notice given pursuant to this paragraph as the address for service of notice on such Member or the Company.

9.04 Complete Agreement. This Agreement constitutes the complete and exclusive statement of the agreement among the Members. It supersedes all prior written and oral statements, including any prior representation, statement, condition, or warranty. Except as expressly provided otherwise herein, this Agreement may not be amended without the written consent of all of the Members.

9.05 Applicable Law. All questions concerning the construction, validity, and interpretation of this Agreement and the performance of the obligations imposed by this Agreement shall be governed by the internal law, not the law of conflicts, of the Commonwealth of Pennsylvania.

9.06 Section Titles. The headings herein are inserted only as a matter of convenience only and do not define, limit, or describe the scope of this Agreement or the intent of the provisions hereof.

9.07 Binding Provisions. This Agreement is binding upon, and inures to the benefit of, the parties hereto and their respective heirs, executors, administrators, personal and legal representatives, successors, and permitted assigns.

9.08 Separability of Provisions. Each provision of this Agreement shall be considered separable; and if, for any reason, any provision or provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid.

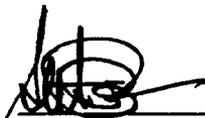
9.09 Consents. Any and all consents and agreements provided for or permitted by this Agreement shall be in writing and a signed copy thereof shall be filed and kept with the books of the Company.

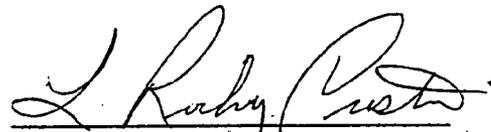
9.10 Counterparts. This Agreement may be exercised in two or more counterparts, each of which shall be deemed an original but all of which taken together shall constitute one and the same agreement.

9.11 Facsimile. Each party may provide a facsimile of the signed signature to the Company Managing Agent, and the party who transmits the facsimile of its signed signature page shall be bound by its faxed signature the same as if the transmitting party has supplied in ink an original signature.

9.12 Amendments. This Agreement may be amended, but only by a majority vote of all Members, based on each Member's percentage interest.

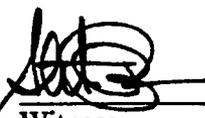
IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

  
\_\_\_\_\_  
Witness

  
\_\_\_\_\_  
L. Rocky Cristini

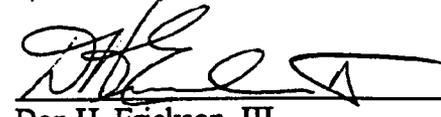
  
\_\_\_\_\_  
Witness

  
\_\_\_\_\_  
Lindo Cristini

  
\_\_\_\_\_  
Witness

  
\_\_\_\_\_  
R. G. Emanuelson  
166-34-3460

  
\_\_\_\_\_  
Witness

  
\_\_\_\_\_  
Don H. Erickson, III  
159-42-8855

[Signature]  
Witness

[Signature]  
Don H. Erickson, Jr.

[Signature]  
Witness

[Signature] 168-36-0914  
George M. Fatula

[Signature]  
Witness

[Signature] 184 30 5000  
Donald R. Fezell

[Signature]  
Witness

[Signature] 170-26-3157  
George A. Gent

[Signature]  
Witness

[Signature] 179-42-8737  
Robert M. Hallstrom, AIA

[Signature]  
Witness

[Signature]  
James R. Hartzfeld  
205-34-6446

[Signature]  
Witness

[Signature]  
Donald E. Jewell

[Signature]  
Witness

[Signature]  
J. A. Kirk 208-30-1870

[Signature]  
Witness

[Signature]  
Richard T. Kirsch  
194-36-7287

  
Witness

  
Don H. Erickson, Jr.

  
Witness

 168-36-0914  
George M. Fatula

  
Witness

 134 30 5888  
Donald R. Fezell

Witness

George L. Gent

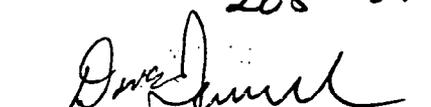
  
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 179-42-873  
Robert M. Hallstrom, AIA

  
Witness

  
James R. Hartzfeld  
205-34-6446

  
Witness

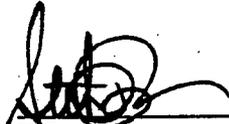
  
Donald E. Jewell

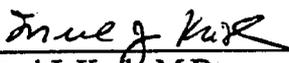
  
Witness

  
J. A. Kirk 208-30-1870

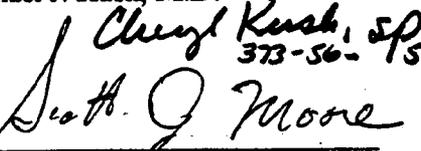
  
Witness

  
Richard T. Kirsch  
194-36-7287

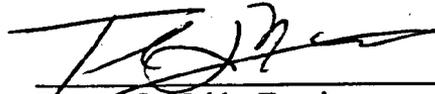
  
Witness

354 38 5265  
  
Michael J. Kush, M.D.

  
Witness

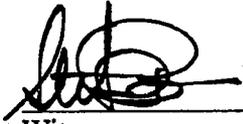
  
Scott J. Moore  
160-48-3892

  
Witness

  
Theron G. Noble, Esquire 189-44-0449

  
Witness

167-42-0830 159-42-8925  
  
Kevin O'Donnell

  
Witness

  
Mark A. Piasio, M.D.  
126-42-7844

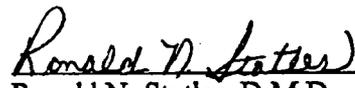
  
Witness

  
Ted L. Reitz  
197-28-7550

  
Witness

  
Charles Reynolds, CLU  
211 364267

  
Witness

  
Ronald N. Statler, D.M.D.  
171-46-9644

  
Witness

  
P. Joseph Valigororsky, II, M.D.  
67420334

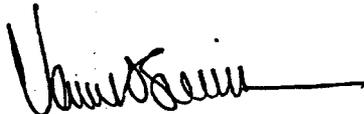
  
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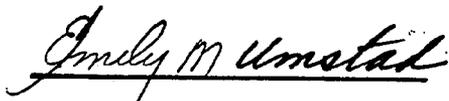
  
James S. Osburn, III

  
\_\_\_\_\_  
Witness

KENNETH C. LEZLER  
  
\_\_\_\_\_  
(Alternate) 171-46-9278

  
\_\_\_\_\_

  
\_\_\_\_\_  
VERNON L. SHAFFER, JR  
556-80-9203

  
\_\_\_\_\_

  
\_\_\_\_\_  
211-38-1473



F

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K

- Stephen Poorman & Company, Inc.
- South Carolina Surgery Group, LLC
- Juniata Lake Properties, LLC
- Campus Development Group
- Poorman Realty Corporation
- OTA Investment Group, LLC
- Blair Surgery Group, LLC
- DuBois Country Club, Ltd.
- Landerdale Investments
- Realtylease Properties
- Texas Properties, Inc.
- California Properties
- Rapmitco Properties
- Freyman Properties
- RamMan Properties
- Florida Properties
- McDonalds LM-7

REPLY TO: The Heffner Building  
 143-147 East Main Street  
 Lock Haven, Pennsylvania 17745-1322  
 Telephone: 570.748.7000  
 Toll Free: 800.532.1900  
 Telecopy: 570.748.7700

TO: Attorney Matthews / Attorney Noble

FAX NO: 724 836 0532

FROM: Steve Poorman

DATE: 9/8, 2003

# OF PAGES  
 W/ COVER: 3

MESSAGE: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**IF FAX IS ILLEGIBLE OR INCOMPLETE, PLEASE CALL DORIS AT 570-748-7000**

The content of this facsimile message is privileged and confidential information intended only for the use of the individual or entity named above. If the reader of this is not the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is wrongful and may subject you to civil liability. If you have received this communication in error, please immediately notify us by telephone, and return this original message to us at the above address via the U.S. Postal Service. Thank you.



**September 8, 2003**

**Gentlemen:**

**Attached find the revised "Members Contributions" Report which has been posted current. We wanted to re-verify this information but could not complete the work in time for the overnight shipment.**

**Please call if you have questions.**

**Thank you.**

**Accounting Department  
Stephen Poorman & Company, Inc.**



**RESOLUTION OF THE MEMBERS  
OF JUNIATA LAKE PROPERTIES, LLC**

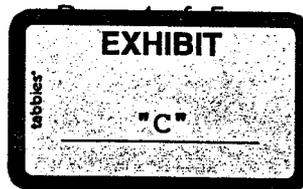
We, the undersigned Members of Juniata Lake Properties, LLC (the "Company") do hereby certify that pursuant to a special meeting of the Members of the Company held on October 9th, 2003, the Members of the Company adopted the following Resolution:

**RESOLVED**, that Scott J. Moore, President of the Company, is authorized, empowered and directed to execute and deliver in the name of and on behalf of the Company, any and all certificates, authorizations, instruments or other documents of any kind whatsoever as may be necessary to effect the transfer and/or return to the Company and/or Dubois Country Club, Ltd. of any funds, monies or assets owned by the Company and/or Dubois Country Club, Ltd. which are currently in the possession and control of Stephen Poorman & Company, Inc. and/or held in accounts under the possession and control of Stephen Poorman & Company, Inc.; and, Stephen Poorman & Company, Inc. is directed to immediately transfer and/or return to the Company any funds, monies or assets owned by the Company or Dubois Country Club, Ltd. which are maintained and/or held in accounts under the possession of Stephen Poorman & Company, Inc.

**IT IS HEREBY FURTHER RESOLVED AND AGREED** by and between the Members that the Operating Agreement of Juniata Lake Properties, LLC, dated October 16, 2002, shall be amended, and that a written Addendum to the said Operating Agreement shall be executed by the Members, stating as follows:

1. Section 5.01 of the Operating Agreement shall be deleted in its entirety and the following language shall be substituted in its place:

Section 5.01. Management. The Company shall be managed by a 5-member Management Committee. The initial Management Committee shall be comprised of Scott J. Moore, Richard T. Kirsch, Donald R. Fezell, Joseph A. Kirk and Ronald N. Statler. The Management Committee members will be elected each year at the annual meeting described hereinafter. The Management Agreement with SPC for oversight and development efforts to its Management Committee and Newco, is hereby terminated.



2. Section 8.01 of the Operating Agreement is hereby deleted in its entirety and the following language shall be substituted in its place:

"8.01. Bank Account. All funds of the Company shall be deposited in its name in such checking account or other accounts in such financial institutions as the Management Committee shall designate. All withdrawals therefrom shall be made upon checks signed by a member of the Management Committee, which Member shall be designated by the Management Committee, from time to time. Any funds, monies or assets of the Company currently held or maintained in any account owned or controlled by Stephen Poorman & Company, Inc. shall be returned and/or transferred to the Company by Stephen Poorman & Company, Inc. for deposit in such checking account or other accounts in such banking institutions as the Management Committee shall designate, and Stephen Poorman shall no longer be authorized to sign any checks on behalf of the Company. Members' contributions, loan proceeds and income shall be deposited in accounts as may be designated by the Management Committee and all expenses of the Company shall be paid therefrom.

3. Section 9.01 of the Operating Agreement is hereby deleted in its entirety and replaced with the following language:

"9.01. Legal Counsel. Meyer ♦ Darragh is hereby appointed Legal Counsel for the Company, to serve for such time as shall be determined by the Company in its sole discretion."

**IN WITNESS WHEREOF**, the undersigned Members of Juniata Lake Properties, LLC have affixed their signatures this 9th day of October, 2003.

**JUNIATA LAKE PROPERTIES, LLC**

WITNESS:

Richard T. Kucich

MEMBERS:

L Rocky Cristini  
L. Rocky Cristini

Richard T. Keisch

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LINDO CRISTINI <sup>Proxy</sup>  
Smoor  
Lindo Cristini

Ronnie G. Emanuelson <sup>Proxy</sup>  
by Richard T. Keisch  
R. G. Emanuelson

[Signature]  
Don H. Erickson, III

[Signature]  
Don H. Erickson, Jr.

[Signature] <sup>Geo FATULA</sup>  
George M. Fatula

[Signature]  
Donald R. Fezell

[Signature]  
George L. Gent

[Signature]  
Robert M. Hallstrom, AIA

[Signature]  
James R. Hartzfeld

[Signature]  
Donald E. Jewell

[Signature]  
J. A. Kirk

*Richard T. Kirsch*  
Richard T. Kirsch

*Michael J. Kush*  
Michael J. Kush, M.D.

*Scott J. Moore*  
Scott J. Moore

*Theron G. Noble*  
Theron G. Noble, Esquire

*Kevin O'Donnell*  
Kevin O'Donnell

*Mark A. Piasio*  
Mark A. Piasio, M.D.

*Ted L. Reitz*  
Ted L. Reitz

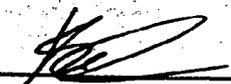
*Charles Reynolds*  
Charles Reynolds, CLU

*Ronald N. Statler*  
Ronald N. Statler, D.M.D.

*P. Joseph Valigororsky, II*  
P. Joseph Valigororsky, II, M.D.

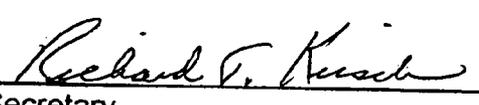
*James S. Osburn, III*  
James S. Osburn, III

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\_\_\_\_\_

  
\_\_\_\_\_  
Kenneth C. Lezzer

Vernon L. Shaffer by   
\_\_\_\_\_  
Vernon L. Shaffer, Jr.

\_\_\_\_\_  
Stephen Poorman

By:   
\_\_\_\_\_  
Secretary

{Corporate Seal}



**MEYER • DARRAG**  
**BUCKLER BEBENEK & ECK, P.L.L.C.**

Attorneys-at-Law

114 S. Main Street • Greensburg, PA 15601-3102 • (724) 836-4840 • Fax: (724) 836-0532

Bernard P. Matthews  
Attorney-at-Law

Direct Dial No.: (724) 853-2298  
E-Mail Address: [Bmatthews@mdbbe.com](mailto:Bmatthews@mdbbe.com)

REFER TO: DUBOIS-106444

October 10, 2003

**Transmitted Via Facsimile - 570-748-7700**

Stephen Poorman & Company  
Attention: Stephen Poorman  
143-147 East Main Street  
Lock Haven, PA 17745-1322

Re: Dubois Country Club, Ltd. and  
Juniata Lake Properties, LLC

Dear Mr. Poorman:

Attached please find two resolutions unanimously adopted by the members of Juniata Lake Properties, LLC at a special meeting on October 9, 2003, which are self-explanatory. Your vote was the only vote not recorded on these resolutions, since you chose not to attend the meeting.

By virtue of these resolutions, your company no longer has any authority regarding the management of Dubois Country Club, Ltd. or Juniata Lake Properties, LLC. Additionally, Stephen Poorman & Company, Inc. is directed to immediately transfer and/or return to Scott Moore any funds, monies or assets owned by Juniata Lake Properties, LLC or Dubois Country Club, Ltd. which are maintained and/or held in accounts under the possession of Stephen Poorman & Company, Inc. Please contact Mr. Moore and the financial institutions where any funds or assets are held to arrange for the transfer of these funds and assets immediately.

Please also return to Mr. Moore all checks, keys and other property of Dubois Country Club, Ltd. or Juniata Lake Properties, LLC. in your possession or control. Any and all accounting related documents, such as P&L statements, check registers, financial statements, payroll records, etc. should also be sent immediately to Mr. Moore.



Stephen Poorman & Company  
October 10, 2003  
Page 2

As per the resolutions, upon receipt and review of this information, and after the immediate transfer of funds and assets of Dubois Country Club, Ltd. or Juniata Lake Properties, LLC, I will contact you to further discuss resolution of any outstanding matters.

Your immediate response is requested.

Very truly yours,

BERNARD P. MATTHEWS, JR.

JOHN M. NOBLE

BPMjr:k kb

cc: Dubois Country Club, Ltd  
Juniata Lake Properties, LLC  
Marshall & Associates  
Attn: Mary Williamson (*via facsimile - 814-234-9008*)

bcc: Vern Shaffer (*via facsimile - 814-371-3003*)

**STEPHEN POORMAN & COMPANY, INC.**  
CERTIFIED MANAGEMENT CONSULTANTS

1010 South Ocean Blvd., Suite 604  
Pompano Beach, Florida 33062  
Telephone: 954.946.0403  
Facsimile: 954.946.0430

REPLY TO:  
143-147 East Main Street  
Lock Haven, Pennsylvania 17745-1322  
Telephone: 570.748.7000  
Facsimile: 570.748.7700

www.lockhavenrentals.com  
sporman@cubkcn.net.org

October 13, 2003

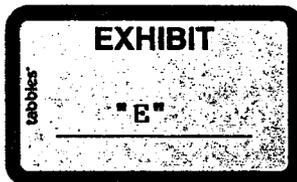
Mr. Scott Moore, President  
**DuBOIS COUNTRY CLUB, LTD.**  
**JUNIATA LAKE PROPERTIES, LLC**  
420 North Fourth Street  
DuBois, Pennsylvania 15801

**RE: October 9, 2003 Resolution: Modification to Operating Agreement**  
**October 9, 2003 Resolution: Termination of Management Agreement**  
**Juniata Lake Properties, LLC**

Dear Mr. Moore:

I am in receipt of the above-referenced Resolution(s) and respond as follows:

1. We will immediately cease any representation of both entities;
2. We will immediately transfer all monies to you except monies due and owing to our company;
3. We have no assets in our possession;
4. We have no keys in our possession;
5. We have original invoices from January 1, 2003 through July 31, 2003 and Delores Wright will retrieve same from our Lock Haven office and deliver them to DuBois;
6. The "accounting related documents" described in your lawyer's cover letter dated October 10, 2003 were sent to you on September 8, 2003 and October 10, 2003;
7. We do not acquiesce to the 14 allegations made in the Resolution to terminate the Management Agreement and we will address those issues at the appropriate time.



After consultation with our Attorney, we are withholding (i) \$137, 812.39 for the amount due under the Management Agreement (ii) \$30,278.24 for my 3.85% equity ownership in the Limited Liability Company and (iii) \$32,000.00 for day-to-day management services from October 1, 2002 through and including September 30, 2003.

Juniata Lake Properties, LLC currently has \$200,894.81 (including the Capital Crossing Bank Bond which matures October 10, 2003) in our escrow account and \$28,666.21 in the Sovereign operating account; DuBois Country Club, LTD currently has \$4,379.89 in the CSB Bank checking account. Thus, we will be returning \$33,850.28. You may send an accountant to our office to review the accounts or any other documents to verify the above sums.

In a spirit of cooperation and without prejudice, we will also return \$32,000.00 for the day-to-day management fees *provided however* that we are able to negotiate and sign a Mutual Release within the next thirty (30) days. When we agreed to provide this "free" service, it was with the understanding that we would be working under a long-term arrangement. Our contract was back-loaded and we forfeited and reduced initial fees for your cash flow purposes. We clearly would not have agreed to that arrangement had we known you intended to terminate our irrevocable contract.

Should your lawyer wish to discuss this matter further, he may contact me directly or he may contact Paul Ryan, Esquire at 570-748-7771.

Sincerely,



S. Poorman

COPY: Board of Directors  
Paul Ryan, Esquire  
John Noble, Esquire

Overnight Mail

60-7269/2313

0441

EXPLANATION	AMOUNT
SEE IMPORTANT ENDORSEMENT ON REVERSE SIDE OF THIS CHECK	

DESCRIPTION	CHECK NUMBER	DOLLARS
	1441	

CHECK AMOUNT

\$ 1441.00

Juniata Lake Properties, LLC

ACCOUNT OPENING

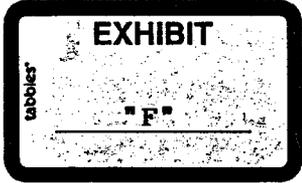
*Stephen P Poorman*  
AUTHORIZED SIGNATURE

**JUNIATA LAKE PROPERTIES, LLC**  
143-147 E. Main St., Suite 2C  
Lock Haven, PA 17745

PAY AMOUNT OF 1441.00  
TO THE ORDER OF Juniata Lake Properties LLC

Sovereign Bank  
Lock Haven, PA 17745

⑆00044⑆ ⑆23137269⑆ ⑆368108633⑆



**CMA** Cash Management Account\* 1503

Oct 10, 2003

25-881/460

STEPHEN P POORMAN  
ESCROW ACCOUNT  
143-147 E MAIN ST  
LOCK HAVEN, PA 17745-0027

Juniata Lake Properties, LLC 804.18

THE SIGNATURE

**Merrill Lynch**

BANK ONE BANK ONE COLLABORIS (IA)  
CMAA (000000400)

SEE IMPORTANT ENDORSEMENT ON  
REVERSE SIDE OF THIS CHECK

*Stephen P Poorman*

⑆044000804⑆ ⑆040103081538⑆ 1503

Endorsement of this check represents payment in full accord and satisfaction of any or all funds held in the Stephen Poorman Escrow Account for Juniata Lake Properties, LLC or DuBois Country Club, LTD, less fees due Stephen Poorman & Co., Inc., from the beginning of time to the date hereof.

Endorsement of this check represents the return of all funds in the Sovereign Bank Operating Account No. 3681108633, as of October 10, 2003, for Juniata Lake Properties, LLC or DuBois Country Club, LTD from the beginning of time to the date hereof.

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

JUNIATA LAKE PROPERTIES, LLC and  
DUBOIS COUNTRY CLUB, LTD,

Plaintiffs,

vs.

STEPHEN POORMAN & COMPANY,  
INC. and STEPHEN POORMAN,

Defendants.

CIVIL DIVISION

No. 03-1572

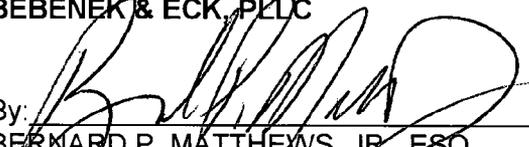
230,

NOTICE

TO: Stephen Poorman & Company, Inc.  
143-147 East Main Street  
Lock Haven, PA 17745-1322  
Fax No.: 570-748-7700

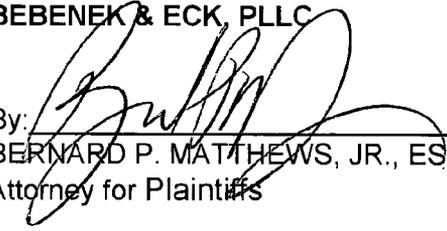
TAKE NOTICE that the within Motion for Preliminary Injunctive Relief will be presented on Monday, October 20, 2003, before a Judge of the Court of Common Pleas of Clearfield, Pennsylvania.

MEYER, DARRAGH, BUCKLER,  
BEBENEK & ECK, PLLC

By:   
BERNARD P. MATTHEWS, JR., ESQ.  
Attorney for Plaintiffs, Juniata Lake Properties, LLC  
and Dubois Country Club, LTD

I hereby certify that a true and correct copy of the within Motion was forwarded to the above-named via facsimile on the 19th day of October, 2003.

MEYER, DARRAGH, BUCKLER,  
BEBENEK & ECK, PLLC

By:   
BERNARD P. MATTHEWS, JR., ESQ.  
Attorney for Plaintiffs

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

JUNIATA LAKE PROPERTIES, LLC and  
DUBOIS COUNTRY CLUB, LTD,

Plaintiffs,

vs.

STEPHEN POORMAN & COMPANY,  
INC. and STEPHEN POORMAN,

Defendants.

CIVIL DIVISION

No. 03-1572

**MOTION FOR PRELIMINARY  
INJUNCTIVE RELIEF**

Filed on Behalf of Plaintiffs, Juniata Lake  
Properties, LLC and Dubois Country  
Club, LTD

Counsel of Record for this Party:

BERNARD P. MATTHEWS, JR., ESQ.  
PA. I.D. #54880

MEYER, DARRAGH, BUCKLER,  
BEBENEK & ECK, P.L.L.C.  
Firm No. 198  
114 South Main Street  
Greensburg, PA 15601-3102

Telephone No.: (724) 836-4840  
Fax No.: (724) 836-0532

JURY TRIAL DEMANDED

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

JUNIATA LAKE PROPERTIES, LLC and  
DUBOIS COUNTRY CLUB, LTD,

Plaintiffs,

vs.

STEPHEN POORMAN & COMPANY,  
INC. and STEPHEN POORMAN,

Defendants.

CIVIL DIVISION

No.

**MOTION FOR PRELIMINARY INJUNCTIVE RELIEF**

**AND NOW** come the plaintiffs, Juniata Lake Properties, LLC and Dubois Country Club, LTD, by and through their attorneys, **MEYER, DARRAGH, BUCKLER, BEBENEK & ECK, P.L.L.C. and Bernard P. Matthews, Jr.**, and pursuant to Pa. R.C.P. 1531, respectfully request that this Honorable Court enter a preliminary or special injunction enjoining and directing Stephen Poorman & Company, Inc. and Stephen Poorman, and all other persons and banking institutions acting in concert with them and/or under their control to immediately transfer and/or return to the plaintiffs any funds, monies or assets owned by the plaintiffs which are maintained and/or held in accounts under the possession and control of Stephen Poorman & Company, Inc. and Stephen Poorman, stating as follows:

1. The plaintiffs have filed a Complaint in Equity for Injunctive Relief and for an accounting, a true and correct copy of which is attached hereto as Exhibit "A" and

incorporated herein by reference as if the same were set forth fully here and at length.

2. The purpose of a preliminary injunction is to preserve the status quo as it exists or previously existed before the acts complained of, thereby preventing irreparable injury or gross injustice. To establish the right to preliminary injunctive relief, the moving party carries the burden of showing:

“(1) that relief is necessary to prevent immediate and irreparable harm which cannot be compensated by damages; (2) that greater injury will occur from refusing the injunction than from granting it; (3) that the injunction will restore the parties to the status quo as it existed immediately before the alleged wrongful conduct; (4) that the alleged wrong is manifest, and the injunction is reasonably suited to abate it; and (5) that the plaintiff’s right to relief is clear.”

Santoro v. Morse, 781 A.2d 1220, 1229 (Pa. Super. 2001).

3. Injunctive relief is necessary to prevent immediate and irreparable harm to the plaintiffs which cannot be compensated by damages because the defendants refuse to return to the plaintiffs funds and monies which are unequivocally and undeniably owned by the plaintiffs, and which the plaintiffs need to meet operating expenses.

4. Greater injury will occur from refusing the injunction than from granting it. If the defendants are allowed to withhold the funds that are owned by the plaintiffs, the plaintiffs will be unable to meet operating expenses.

5. The injunction will restore the parties to the status quo because the funds are owned by the plaintiffs. The defendants have unilaterally decided to withhold those funds.

6. The alleged wrong is manifest, and an injunction is reasonably suited to abate it. The funds are owned by the plaintiffs and there is no reason for the defendants not to return the funds. If the defendants believe that they have a claim for damages or otherwise as the result of the termination of the Management Agreement, which plaintiffs deny, then the defendants can pursue those claims through litigation. However, the defendants have no legal authority or right to unilaterally determine that their claims have merit and to withhold plaintiffs funds to satisfy those claims even before any action has been filed or litigated.

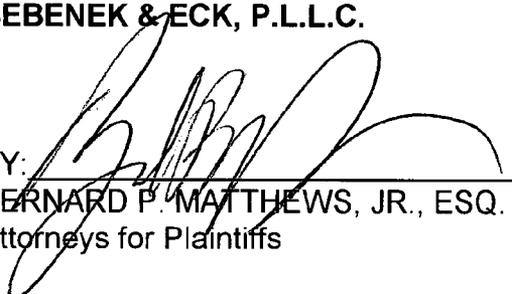
7. The plaintiffs' right to relief is clear. The funds and monies being withheld by the defendants are owned by the plaintiffs.

**WHEREFORE**, Juniata Lake Properties, LLC and Dubois Country Club, LTD, respectfully request that this Honorable Court enter a special, preliminary and permanent injunction enjoining and directing Stephen Poorman & Company, Inc., Stephen Poorman and all persons and banking institutions acting in concert with them and/or under their control to immediately transfer and/or return to Juniata Lake Properties, LLC and Dubois Country Club, LTD any funds, monies or assets owned by Juniata Lake Properties, LLC or Dubois Country Club, LTD which are maintained and/or held in accounts under the possession and control of Stephen Poorman & Company, Inc. and Stephen Poorman,

including but not limited to at least the sum of \$233,940.91 identified in the letter dated October 13, 2003 from Stephen Poorman & Company, Inc. which is attached hereto as Exhibit "E".

Respectfully submitted,

**MEYER, DARRAGH, BUCKLER,  
BEBENEK & ECK, P.L.L.C.**

BY:   
BERNARD P. MATTHEWS, JR., ESQ.  
Attorneys for Plaintiffs

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

JUNIATA LAKE PROPERTIES, LLC and  
DUBOIS COUNTRY CLUB, LTD,

Plaintiffs,

vs.

STEPHEN POORMAN & COMPANY,  
INC. and STEPHEN POORMAN,

Defendants.

CIVIL DIVISION

No. 03-1572

**ORDER OF COURT**

**AND NOW** to wit, this \_\_\_\_\_ day of \_\_\_\_\_, 2003, **IT IS HEREBY ORDERED, ADJUDGED AND DECREED** that the plaintiffs' Motion for Preliminary or Special Injunction is **GRANTED**. Stephen Poorman & Company, Inc. and Stephen Poorman are hereby enjoined and directed to immediately transfer and/or return to Juniata Lake Properties, LLC and Dubois Country Club, LTD any funds, monies or assets owned by Juniata Lake Properties, LLC or Dubois Country Club, LTD which are maintained and/or held in accounts under the possession and control of Stephen Poorman & Company, Inc. and Stephen Poorman, including but not limited to at least the sum of Two Hundred Thirty-Three Thousand Nine Hundred Forty and 91/100 (\$233,940.91) Dollars identified in the letter dated October 13, 2003 from Stephen Poorman & Company, Inc. Bond shall be posted on the amount of \$\_\_\_\_\_. A hearing is scheduled for \_\_\_\_\_ in Courtroom \_\_\_\_\_, Clearfield County Courthouse.

\_\_\_\_\_  
J.

Bevieve - I don't want  
blank signed checks  
sitting around - please  
remember to either stamp  
or sign the checks before  
you use them.

---

**VERIFIED STATEMENT**

I, \_\_\_\_\_, being the  
for Juniata Lake Properties, LLC and Dubois Country Club, LTD, am duly authorized  
to make this Verified Statement on its behalf, and I hereby verify that the statements  
set forth in the foregoing Complaint in Equity for Injunctive Relief and an Accounting  
are true and correct to the best of my knowledge, information and belief.

I understand that false statements made herein are subject to the penalties of  
18 Pa. C.S. Section 4904, relating to unsworn falsification to authorities.

**JUNIATA LAKE PROPERTIES, LLC  
DUBOIS COUNTRY CLUB, LTD**

By: \_\_\_\_\_

Date: \_\_\_\_\_