

**Baxter Financial Corporation
Philadelphia Fund, Inc.
Eagle Growth Shares, Inc.**

Business Continuity Plan

This Business Continuity Plan (the “Plan”) is intended to form a basis for dealing with the occurrence of an event that causes (or has the potential to cause) significant disruption to the normal operations of Baxter Financial Corporation (the “Firm”) and/or Eagle Growth Shares, Inc. and Philadelphia Fund, Inc, (together, the “Funds”). This plan governs the Firm and applies to the Funds, where noted.

I. Emergency Contact Persons

The Firm’s two emergency contact persons are:

Donald H. Baxter
President
954-942-4571
dbaxter@philadelphiafund.com

Ronald F. Rohe
Chief Operating Officer
954-757-0124
ronrohe@philadelphiafund.com

These names will be updated in the event of a material change, and our Executive Representative will review them within 17 business days of the end of each quarter.

II. Firm Policy

The Firm’s policy is to respond to a Significant Business Disruption (SBD) by safeguarding employees’ lives and Firm property, making financial and operational assessment, quickly recovering and resuming operations, protecting all of the Firm’s and the Funds’ books and records from destruction, and allowing our customers to transact business. In the event that we determine we are unable to continue our business, we will take reasonable steps to assure customers prompt access to their funds and securities.

A. Significant Business Disruptions (SBDs)

Our plan anticipates two kinds of SBDs, internal and external. Internal SBDs affect only the Firm’s ability to communicate and do business, such as a fire in our building.

External SBDs prevent the operation of the securities markets or a number of firms, such as a terrorist attack, a city flood, or a wide-scale, regional disruption. The response of the Firm and the Funds to an external SBD relies more heavily on other organizations and their systems, especially on the capabilities of Unified Fund Services Inc (“Unified”), the Funds’ transfer agent and fund accounting agent; U.S. Bank, the Funds’ custodian bank; our money management clients’ brokers; and the operational facilities of mutual fund organizations in which the Firm’s retail clients have invested.

In the event of a disruption to our office or building, the Firm will shift operations to our alternative site and continue business by telephone. In the event the city is disrupted, the Firm will shift operations to our alternative site or choose a new alternative site from which phone contact could be made and business conducted at a minimal level. During the 2004 and 2005 hurricane seasons, electricity was cut off to a large area around our base of operations after storms impacted the area. We were able to carry on minimal operations from scattered locations by telephone. Our mutual fund clients had access to their accounts through Unified and our money management clients had access to their accounts through their respective brokers. The Firm would endeavor to provide whatever limited investment advisory and administrative functions it could render with reduced capabilities.

B. Approval and Execution Authority

Ronald F. Rohe, Chief Operating Officer, a registered principal, is responsible for approving the plan and for conducting the required annual review. Ronald F. Rohe, Chief Operating Officer, has the authority to execute this plan.

Mr. Rohe, or his designee, periodically tests the Firm’s and the Funds’ backup systems and evaluates the operation of the plan in conditions designed to simulate an SBD or other natural or human emergencies.

C. Plan Location and Access

The Firm will maintain copies of the plan and the annual reviews and testing, and the changes that have been made to the plan for inspection. An electronic copy of our plan is available through the Business Continuity Plan link on the philadelphiafund.com homepage.

III. Business Description

The Firm conducts 99% of its business as an investment advisory firm. The Firm is investment adviser to two mutual funds, Philadelphia Fund, Inc. and Eagle Growth Shares, Inc., and advises less than 20 individual money management clients. In the retail area, we handle customer orders for mutual fund shares only. The Firm does not perform any type of clearing function for the Firm or others nor do we hold customer funds or securities. The mutual funds

which we offer to retail customers are Philadelphia Fund, Inc., Eagle Growth Shares, Inc. and Franklin Templeton funds. The Firm acts as distributor, investment adviser, and administrator for Philadelphia Fund, Inc. and Eagle Growth Shares, Inc.

Unified, the Funds' transfer agent, maintains our mutual fund customers' accounts, can grant clients access to those accounts, and delivers funds and securities to customers. Unified can be reached at 431 North Pennsylvania Street, Indianapolis, IN 46204, 317-917-7000. The other mutual fund group that we offer to retail customers is Franklin Templeton, which can be reached at 100 Fountain Parkway, St. Petersburg, FL 33716, 800-632-2301, franklintempleton.com. The alternative contact numbers for Unified and Franklin Templeton are 800-862-3863 and 800-342-5236 respectively.

IV. Office Locations

The Firm's only office is located at 1200 North Federal Highway, Suite 424, Boca Raton, FL 33432. Its main phone number is 561-395-2155. Employees travel to that office by means of car. At this address, we engage in investment advisory functions for the Funds and individual money management clients; administrative functions for the Funds and underwriting and brokerage functions for Eagle Growth Shares, Inc. Brokerage functions for Franklin Templeton funds are performed in the field.

V. Alternative Physical Location(s) of Employees

In the event of an internal SBD, we will move our staff from the office to 129 NW 13th Street, Suite D-26, Boca Raton, FL 33432, (561) 367-9111.

In the event of an external SBD where an interruption of critical services (i.e. electricity, telephone, etc.) necessary to manage the clients' portfolios is anticipated or reasonably likely to occur or if there is an evacuation ordered; Donald H. Baxter will move to a location where services are anticipated to be available to manage the portfolios.

VI. Customers' Access to Funds and Securities

The Firm does not maintain custody of customers' funds or securities, which are maintained at Unified or Franklin Templeton. In the event of an internal or external SBD, if telephone service is available, our registered persons will take customer orders or instructions and contact Unified or Franklin Templeton on the customers' behalf, and if our web access is available, the Firm will post on the philadelphiafund.com site that customers may access their funds and securities by contacting Unified or Franklin Templeton. The Firm will make this information available to customers through its disclosure policy stated under Section XIII of this Plan.

If Securities Investor Protection Corporation ("SIPC") determines that we are unable to meet our obligations to our customers or if our liabilities exceed our assets in violation of Securities

Exchange Act Rule 15c3-1, SIPC may seek to appoint a trustee to disburse our assets to customers. We will assist SIPC and the trustee by providing our books and records identifying customer accounts subject to SIPC regulation.

VII. Data Back-Up and Recovery (Hard Copy and Electronic)

The Firm maintains its primary hard copy books and records and its electronic records at 1200 North Federal Highway, Suite #424, Boca Raton, Florida 33432.

Almost all of our paper records if lost can be recreated from outside sources. If our primary site is inoperable, we will continue operations from our back-up site or an alternate location. The firm's electronic data is protected by maintaining complete back-up copies of the firm's main server on two external hard drives. On a daily basis, the Director of Operations performs a back-up of all electronic data updated that day on one of the external drives and it is stored overnight at his residence in Boynton Beach, Florida. The drives are rotated every other business day so that one drive is always updated with changes that occurred during the current business day and the other is updated with changes through the previous business day. In addition, the Firm utilizes an off-site data storage service to store critical data files. The off-site data storage service program encrypts the files using 448-bit Blowfish encryption and then transfers data to its servers using 128-bit Secure Socket Layer (SSL) encryption. Restoration of the files can only be completed by the use of the Firm's private key that was used to encrypt the data. If the Firm's usual capability to access its electronic data is not possible, then we will either physically recover data from the storage media or electronically recover data from our off-site back-up service.

VIII. Financial and Operational Assessments

A. Operational Risk

In the event of an SBD, we will immediately identify what means will permit us to communicate with our customers, employees, critical business constituents, critical banks, critical counter-parties, and regulators. Although the effects of an SBD will determine the means of alternative communication, the communications options we will employ will include the philadelphiafund.com Website, telephone, e-mail etc. In addition, we will retrieve our key activity records as described in the section above, Data Back-Up and Recovery (Hard Copy and Electronic).

B. Financial and Credit Risk

We do not foresee any financial or credit risk to the Firm in the event of an SBD. We will contact Unified and U.S. Bank to assure them of the Firm's status. We will contact our individual money management clients.

IX. Mission Critical Systems

We have primary responsibility for establishing and maintaining our business relationships with our customers and have sole responsibility for our mission critical functions.

The Firm enters retail mutual fund orders on paper by overnight mail or U.S. Mail.

Money management clients' and the Funds' investments are overseen by means of the Internet and telephone. In the event of an SBD, regional utilities such as power, land-based telephone, cellular telephone, and Internet services may become unavailable for an unknown period of time. In order to ensure that Mr. Baxter has the ability to monitor the securities markets and contact brokerage firms to place trades during an SBD, the Firm has acquired a portable satellite telephone. The portable satellite phone service is not affected by regional disturbances and should allow Mr. Baxter to continue to manage client portfolios through a local or regional SBD.

Orders for money management clients and the Funds are placed over the Internet or by telephone.

X. Alternate Communications Between the Firm and Customers, Employees and Regulators.

A. Customers

We currently communicate with our customers using the telephone, e-mail, the philadelphiafund.com Web site, fax, U.S. mail, and in person visits at the Firm or at the other's location. In the event of an SBD, we will assess which means of communication are still available to us, and use the means closest in speed and form (written or oral) to the means that we have used in the past to communicate with the other party. For example, if we have communicated with a party by e-mail but the Internet is unavailable, we will call them on the telephone and follow up where a record is needed with paper copy in the U.S. mail.

B. Employees

We now communicate with our employees using the telephone, e-mail, our Web site, fax, U.S. mail, and in person. In the event of an SBD, we will assess which means of communication are still available to us, and use the means closest in speed and form (written or oral) to the means that we have used in the past to communicate with the other party.

We have compiled a list of all of our personnel addresses, phone numbers, and e-mail addresses and circulated copies of the list to all personnel.

C. Regulators

The Firm is currently a member of the NASD, and the Firm and the Funds are regulated by the SEC. We communicate with our regulators using the telephone, e-mail, U.S. mail, and in person. In the event of an SBD, we will assess which means of communication are still available to us, and use the means closest in speed and form (written or oral) to the means that we have used in the past to communicate with the other party.

XI. Critical Business Constituents, Banks, and Counter-Parties

A. Business Constituents

If there is a SBD, we will contact our critical Business Constituents (businesses with which we have an ongoing commercial relationship in support of our operating activities, such as vendors providing us critical services), and determine the extent to which we can continue our business relationship with them in light of the internal or external SBD. We will quickly establish alternative arrangements if a business constituent can no longer provide the needed goods or services when we need them because of a SBD to them or the Firm. Our major suppliers are: transfer agent and fund accounting agent, Unified Fund Services, 431 North Pennsylvania Street, Indianapolis, IN 46204, 317-917-7000; and custodian, U.S. Bank N.A., 425 Walnut Street, 6th Floor, Cincinnati, OH 45202.

B. Banks

As of the date of this plan, we do not anticipate any need for financing. The bank maintaining our operating account is: Bank of America, 1000 North Federal Highway, Boca Raton, 33431, 561-620-0170. Our contact is the branch manager.

C. Counter-Parties

If necessary in the future, we will contact our critical counter-parties to determine if we will be able to carry out our transactions with them in light of an internal or external SBD. Where transactions cannot be completed, we will work with our transfer agent and custodian bank or contact those counter-parties directly to make alternative arrangements to complete those transactions as soon as possible.

XII. Regulatory Reporting

The Firm is subject to regulations by: the Securities and Exchange Commission, State of Florida, and the NASD. We now file reports electronically using the Internet. In the event of an SBD, we will check with the SEC, NASD, and other regulators to determine which means of filing are still available to us, and use the means closest in speed and form (written or oral)

to our previous filing method. In the event that we cannot contact our regulators, we will continue to file required reports using the communication means available to us.

XIII. Disclosure of Business Continuity Plan

We disclose in writing our BCP to individual money management clients at account opening and when material changes are made. We post the BCP on the philadelphiafund.com website and mail it to the customer upon request.

XIV. Updates and Annual Review

The Firm will update this plan whenever we have a material change to our operations, structure, business, or location, or to those of our transfer agent or custodian bank. In addition, the Firm will review the BCP annually to determine if it is necessary to revise the plan for any changes in our operations, structure, business, or location or to those of our transfer agent or custodian bank.

XV. Reliance on Third Party Providers

The Firm and the Funds rely on Unified, as the Funds' transfer agent and fund accounting agent, for the maintenance of certain Fund records and for certain other services. The Disaster Recovery Plan (the "Recovery Plan") of Unified is incorporated into this plan to the extent that the Recovery Plan impacts the Funds' operations. Unified's Recovery Plan which will be implemented at varying response levels depending on the severity of the business disruption. The worst case envisions a major disruption at Unified's primary facility. This will cause Unified's Sungard Disaster Recovery Facilities plan to be activated. Telephone services, Internet services, and data application services will be restored from the Sungard location. The Firm periodically reviews the Recovery Plan and verifies its continued application to the Firm and the Funds.

XVI. Senior Manager Approval

I have approved this Business Continuity Plan as reasonably designed to enable the Firm to meet its obligations to customers in the event of an SBD.

Signed: /s/ Ronald F. Rohe

Title: Chief Operating Officer

Dates Amended: December 13, 2004 and June 12, 2006

Date Adopted: September 9, 2004