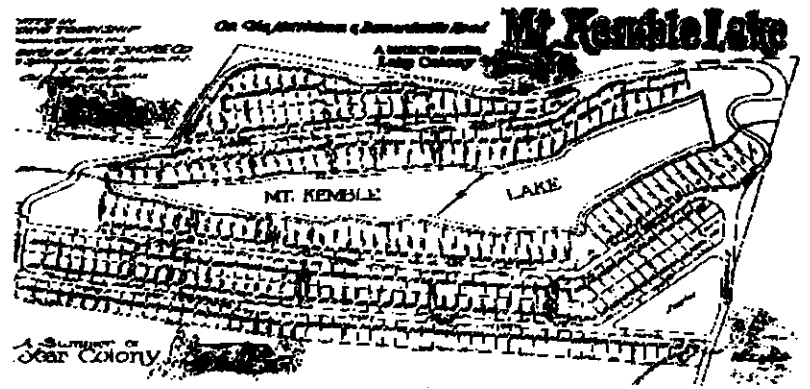


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The Lakeshore Company, Inc.

Mt. Kemble Lake, NJ 07960

By-Laws



Revised January 18, 1997

008

BY-LAWS of the LAKESHORE COMPANY

Incorporated Under the Laws of
the State of New Jersey.

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ARTICLE I NUMBER OF DIRECTORS

The business of the company shall be managed by a board of at least three (3) directors.

ARTICLE II ELECTION OF DIRECTORS

The directors shall be elected by the stockholders at each annual meeting and shall hold their office until their successors have been elected by the stockholders.

At least three (3) weeks prior to the annual meeting the existing board of directors shall deliver in person or by mail a ballot which they have compiled of ten (10) candidates for the Search Committee to all stockholders. These ballots must be completed and returned to the Secretary of the Company within five (5) days of delivery to be valid.

The five (5) persons receiving the highest number of votes shall constitute the Search Committee. The person with the highest number of votes shall be the chairperson.

This committee shall be charged with presenting a slate of not less than three (3) prospective officers to the stockholders at the annual meeting. The board has a responsibility to present guidance on the roles and responsibilities of the Search Committee.

Information regarding the Search Committee's slate shall be available to any stockholder requesting it and may be given whenever the committee has completed its task, which must be a time not later than ten days prior to the annual meeting to be included in the meeting notice.

It is the responsibility of the stockholders to vote to accept or reject the slate presented by the Search Committee and to vote to accept or reject any other nominations made from the floor at the meeting, each slate or nomination being voted on separately.

ARTICLE III STOCKHOLDERS' ANNUAL MEETING

The annual meeting of the stockholders shall be held at the Company's principal office; namely, the Clubhouse of the Mt. Kemble Lake Association, at Mt. Kemble Lake, in Harding Township, New Jersey, on the third Saturday of January in each year, at eight o'clock in the evening.

The president shall preside at said meeting; in his absence, the vice-

president shall preside; in the absence of both president and vice-president the secretary or treasurer shall run the meeting; and in the absence of all officers, the meeting shall elect one of their own number to preside. Every stockholder present at such meeting, in person or by proxy, shall be entitled to one vote.

ARTICLE IV STOCKHOLDERS' SPECIAL MEETINGS

The president or board of directors may at any time call a special meeting of the stockholders, and the president shall call the same whenever requested to do so by a majority in interest of the stockholders; such meeting shall be held at the Company's principal office at Mt. Kemble Lake in Harding Township, New Jersey, and shall be presided over by the president, or in his absence by the vice-president, or in the absence of both, by the secretary or treasurer, and in the absence of all officers, by a chairperson to be elected by the meeting.

ARTICLE V SHARES OF STOCK

No share of stock shall be issued to any person nor shall any person at any time be the holder thereof, unless said person shall own and possess a fee simple title in and to the real property situated in the tract of land, situate, lying and being in the Township of Harding, Morris County, State of New Jersey, as shown on a map, entitled: "Tax Maps TOWNSHIP OF HARDING, Morris County, N.J." dated March, 1953 (and as revised subsequently) for Blocks 38 through 45: nor shall such person or stockholder be entitled to or hold at any time more than one share of stock regardless of the number of lots or amount of real property so owned by said person or shareholder in said tract.

Said one share of stock when so issued and outstanding shall be transferable only to the successor in title of the real property registered on the books of the corporation as owned by the person to whom the stock is issued. Said stock shall be issued in the name or names of the owners of the real property, as such ownership appears on the deed or deeds to said real property. When the real property is owned by a Trust or Corporation, the Trustee or Corporate Officers shall designate a representative(s) in whose name(s) the share of stock shall be issued.

In the event that a shareholder of one share of stock as aforesaid,

acquires in any manner an additional share or shares of stock, such additional share or shares of stock shall be deposited with the Treasurer of the Lakeshore Company to be held in escrow until such time as the property to which one of the said shares of stock was attached shall be transferred. At that time the said share shall be transferred to the new owner, provided the transfer is not in violation of any of the provisions of the by-laws.

The said one share of stock in each case shall be issued with respect to and shall cover and attach to original dwelling plot of holder's property and all thereto contiguous vacant real property of the shareholder in said tract. In the event that said contiguous property shall be subdivided and conveyed to others or subdivided and improved by the erection of a dwelling thereon, said share of stock shall remain with respect to and shall cover and attach to the original dwelling plot of the shareholder and such other contiguous land not severed or so subdivided. Contiguous real property shall include vacant land on other side of roadways opposite to the aforesaid original dwelling plot of shareholders.

One share of stock may be issued by the Directors to a non-resident owner of vacant or unimproved real property in said tract covering said vacant or unimproved real property under the same conditions herein provided for a resident owner. Except that should such non-resident owner erect a dwelling upon said vacant land, the share of stock of said nonresident shall attach to the plot of land upon which said dwelling is erected and the same so recorded upon the books of the corporation.

A stockholder who ceases to own real property in said tract, shall have no voice in the affairs of the corporation and shall then be deprived of all rights and privileges incident to the ownership of said stock, except the right to transfer said stock to such stockholder's successor in title to the aforesaid residence plot of the stockholder.

Joint ownership, tenancy in common, and other forms of multiple ownership of real property in said tract shall be considered one ownership and such owners shall be entitled to no more than one share of said stock at any time. Problems and conflicts arising as the result of enlargement or division, or both, of present and future real property holdings of any stockholder, and similar matters, not otherwise herein provided, shall be decided by a two-thirds vote of the stockholders present, in person or by proxy, at an annual meeting, or a special meeting called for the purpose, for which due notice of the problems or

conflicts to be so decided have been delivered or mailed to all stockholders ten days in advance of said annual or special meeting.

ARTICLE VI SALE OF ASSETS

No real property of the corporation shall be sold or conveyed in any way without a two-thirds vote of the stockholders present, in person or by proxy, at an annual meeting, or a special meeting called for the purpose, for which due notice of the proposed sale or conveyance has been delivered or mailed to all stockholders ten days in advance of said annual or special meeting. Any other disposable asset of the corporation (with a value of less than \$5000) may be disposed of at the discretion of the Board of Directors.

ARTICLE VII CLOSING OF TRANSFER BOOKS

The board of directors, or the stockholders, may, for the purpose of election of directors, close the transfer books for a period not exceeding twenty-five days, and for the purpose of declaring a dividend, for a period not exceeding ten days.

ARTICLE VIII NOTICE OF STOCKHOLDERS' MEETINGS

A written notice of every meeting of stockholders shall be delivered in person or by mail to every stockholder at least ten days before the meeting. It shall be the duty of stockholders to give their correct post-office address to the secretary, who shall keep a record of the same, and a notice sent to the last post-office address so given by the stockholders shall be sufficient; in default of such address being given, the secretary shall make reasonable inquiry for such address, and if the same be not ascertained on such inquiry, the stockholders who shall have failed to give such address shall be deemed to have waived notice of the meeting.

Except as herein otherwise provided, notice of a special meeting shall state briefly and in general terms the objects of the meeting and notice of the annual meeting shall state that the meeting is for the election of a board of directors and for all other business that may properly come before a stockholders' meeting. The notice shall also include the listing of the slate of proposed directors.

ARTICLE IX QUORUM AT STOCKHOLDERS' MEETING

A majority in interest of all the stockholders represented in person or by proxy shall constitute a quorum for the transaction of all business, and a majority of such quorum, shall decide all questions that may arise except where otherwise provided in these by-laws or by statute.

ARTICLE X VOTE OF JOINT OWNERS

Any person whose name appears as a joint owner on the stock certificate shall have the right to vote such stock at any meeting of stockholders and such vote shall bind, as to such vote, every other person whose name appears on said certificate; provided, however, that the presiding officer at said meeting, in case of a dispute between joint owners as to the casting of the vote, shall have the right to decide which joint owner shall cast the vote, and such decision shall be final.

ARTICLE XI ORDER OF BUSINESS AT STOCKHOLDERS' MEETINGS

The order of business at a stockholders' meeting shall be as follows:

1. Roll Call.
2. Reading of the minutes.
3. Reports.
4. Deferred business.
5. New Business.
6. Election of directors.
7. Adjournment.

ARTICLE XII MEETINGS OF DIRECTORS

The directors may meet at Mt. Kemble Lake, in Harding Township, New Jersey; and they may meet at such other places as they shall agree upon, and whenever called together by the president or in his absence by the vice-president. Two days' notice of every special meeting of the directors shall be given unless the exigencies of business require a shorter notice to be given. The notice may be given to the director personally, either verbally or in writing, or it may be communicated by telephone, e-mail Post or other means. The President of the Mt. Kemble

Lake Association Board of Directors shall be a non-voting ex-officio member of the Lakeshore Board of Directors and shall be entitled to attend regular meetings of the Board.

ARTICLE XIII QUORUM AT DIRECTORS' MEETING

A quorum of the board of directors shall be a majority of the entire board.

ARTICLE XIV VACANCIES AMONG DIRECTORS

The board of directors shall have power to fill any vacancies occurring in their own number, and the persons appointed by them to fill such vacancies shall hold their office until their successors are elected by the stockholders.

ARTICLE XV RULES OF DIRECTORS

The board of directors shall have power to make rules and regulations for the conduct of their own meetings, and the management of the affairs of the Company, not inconsistent with these by-laws.

ARTICLE XVI ELECTION OF OFFICERS

The board of directors shall, as soon as convenient after their elections, choose one of their number to be president, vice-president, secretary and treasurer. Any director except the president may hold two offices.

The directors shall also assign themselves such other responsibilities as water company and land administration and such other duties as shall be necessary for the transaction of the business of the Company. They may further designate functions for which they are responsible to individuals or committees which the president may appoint.

All these officers shall hold office until their successors have been elected by the stockholders unless they be sooner removed by the board of directors or shall resign or be otherwise unable to serve. The board of directors shall have power to remove officers whenever in their judgment the interests of the Company require it and to elect their successors.

ARTICLE XVII VACANCIES AMONG THE OFFICERS

The board of directors shall fill any vacancies occurring among the officers.

ARTICLE XVIII DUTIES OF THE PRESIDENT

The president shall preside at all meetings of the stockholders and of the directors, and shall be ex-officio a member of all standing committees. The President shall sign all certificates of stock of the Company and shall take the general supervision and control of all the business affairs of the Company, and shall have command and control of all the officers and employees of the Company, subject to the supervision of the board of directors, and shall perform such other duties as may properly belong to the office, and also such as shall be prescribed by the board of directors. The President shall also be an ex-officio member of the Board of the Mt. Kemble Lake Association Board of Directors (as per their By-Laws).

ARTICLE XIX DUTIES OF VICE-PRESIDENT

In the absence of the president the vice-president shall perform the duties incident to the office of president, and such other duties as the board may from time to time prescribe.

ARTICLE XX DUTIES OF SECRETARY

The secretary shall attend all the meetings of the stockholders and directors and act as clerk of the same, and keep the minutes thereof; shall have the charge and keeping of the records and papers of the Company; take charge of and affix the seal of the corporation to such documents as may require such attestation; issue notices of all meetings and perform generally all the duties incident to the office of secretary, and such other duties as the board of directors may prescribe.

ARTICLE XXI DUTIES OF TREASURER

The treasurer shall keep the accounts and receive all moneys paid to the Company and enter his receipts and payments in books kept for that purpose, and deposit such moneys in the name of the Company in such bank or depository as said board may direct.

The treasurer shall pay out no moneys except by authority of the board, and all checks drawn shall have the treasurer's signature, or that of the president or vice-president.

The treasurer's duties shall include making stated and annual statements to the board showing the condition and business of the Company, signing all certificates of stock, and keeping an account thereof, and having the custody of the stocks, bonds, mortgages and the securities of the Company, subject to the regulation and control of the board of directors.

ARTICLE XXII PROXIES

A stockholder may vote at any meeting of the stockholders, by his attorney in fact, duly constituted in writing. No special form of proxy shall be necessary. Continuing proxies may be given, provided that no proxy shall be recognized after the expiration of one year from its date.

ARTICLE XXIII CERTIFICATES OF STOCK

Certificates of stock shall be signed by the president and treasurer and sealed with the common seal of the Company. They shall be issued from certificate books with an ample stub or margin containing blanks for the number of the certificate, date of issue, the name of the person to whom issued.

ARTICLE XXIV TRANSFER OF STOCK

Stock shall be transferred only on the books of the Company by the holder thereof in person or by his attorney duly authorized, and upon surrender of the certificates for the stock transferred. Upon such surrender and transfer, new certificates will be issued to the transferee.

The form of transfer on back of certificates of stock shall be as follows:

For value received, _____ hereby sell, assign and transfer unto _____ the share of the capital stock represented by the within certificate, and do hereby irrevocably constitute and appoint _____ Attorney to transfer the said stock on the books of the within named Company with full power of substitution in the premises.

Dated: _____

In presence of: _____

NOTICE: The signature of the assignment must correspond with the name as written upon the face of the certificate in every particular without alteration or enlargement, or any change whatever.

ARTICLE XXV EXAMINATION OF ASSETS

At the annual meeting, the stockholders may appoint auditors to make an examination of the assets and securities of the Company, and to enter the results of their examination in the Company's minutes.

ARTICLE XXVI DIVIDENDS

The board of directors may, with the approval of two-thirds of the stockholders present at any annual or special meeting either in person or by proxy, declare a dividend.

ARTICLE XXVII BOOKS

The stock and transfer books may be kept at the Company's principal office at Mt. Kemble Lake, Harding Township, New Jersey; the other books and papers may be kept at the Company's office in the Township of Harding. The directors may at any time bring all the Company's books and papers to the Company's principal office in New Jersey. All books and papers shall be open to the inspection of the directors during business hours.

ARTICLE XXVIII BANK ACCOUNT

All the funds of the Company shall be deposited in a bank or banks or other depository designated by the board of directors, subject to be drawn therefrom on the draft of the treasurer, or other designated officer.

ARTICLE XXIX COMMON SEAL

The common seal of the Company shall be circular in form, and shall contain the name of the Company, with the figures 1925 and word, "seal". The seal shall be stored with the Company books and papers.

ARTICLE XXX OFFICERS AND DIRECTORS LIABILITIES

The Company shall indemnify every officer and director to the full extent permitted by Section 14A:3-5 of the New Jersey Business

BY-LAWS of the LAKESHORE COMPANY

Corporation Act and to the full extent otherwise provided by law. Neither the amendment nor repeal of this provision shall eliminate or reduce the protection afforded by this provision to an officer or director in respect to any matter which occurred, arose or accrued prior to such amendment or repeal.

In furtherance of the provisions of this section of the by-laws, the board of directors shall cause the Company to maintain liability insurance when reasonably available, indemnifying the directors and officers of the Company against liability for errors and omissions occurring in connection with the performance of their duties, with policy limits and deductible amounts to be determined at the reasonable discretion of the board of directors. Deductible amounts shall be paid by the Company.

ARTICLE XXXI AMENDMENTS

These by-laws may be amended, repealed or altered by a two-thirds vote of all the stockholders present, in person or by proxy, at any annual meeting, or a special meeting called for the purpose, for which due notice of the proposed amendment, repeal, or alteration has been delivered or mailed to all stockholders ten days in advance of said annual or special meeting.

Bylaws revised and updated January 18, 1997
This copy created January, 1998

INSERT TO THE BY-LAWS OF THE LAKESHORE COMPANY, INC.

AMENDMENTS TO BY-LAWS

Article III Stockholders' Annual Meeting:

The first paragraph of Article III was amended by the required vote of the stockholders at the Annual Meeting held on January 20, 2001, so as to read as follows:

The annual meeting of the stockholders shall be held at the Company's principal office; namely, the Clubhouse of the Mt. Kemble Lake Association, at Mt. Kemble Lake, in Harding Township, New Jersey, on a weekend date in January of each year to be determined by the Board of Directors, at eight o'clock in the evening.

Article VI Sale of Assets:

Article VI was amended by the required vote of the stockholders at a Special Meeting held on September 24, 2000, so as to add the following provision to the end of Article VI:

Any monies derived from any real estate holdings of the corporation sold pursuant to the requirements of this Article shall be placed in a conservative growth investment and all investment earnings shall be re-invested in this investment. The use of this money for any purpose other than investment shall be governed by the requirements applicable to the sale of real estate in this Article. At the Annual stockholder meeting, the Lakeshore Board shall specifically report the status of the investments covered in this section.