

1. Proxy/Ballot for **Land Conservation/Tax Savings By-Law – Lakeshore**

Inserted as the last paragraphs in Section VI

Explanation of bylaw amendment:

Paragraph 1 Authorizes placing all Lakeshore's undeveloped land parcels, excepting the ball field, in permanent conservation easements.

Paragraph 2 indicates that the funds will be dedicated to a Reserve Account and describes how such funds can be spent.

Paragraph 3 describes the provision for oversight of the Reserve Account by 3 non-board members.

Restricted Lot; Real Property Tax Savings. It is the intent of this Amendment to the Bylaws to prohibit the sale of the Restricted lots and to restrict its use to and for the common purposes and benefit of the Members of the Lakeshore Company. Any real estate property tax savings realized as a result of the foregoing restrictions shall be paid, out of the Lakeshore Company's operating expenses or fund, to one or more Reserve Accounts (collectively, the "**Account**"). Such tax savings will be increased annually inline with the average percent increase of Harding Township's tax rate.

Restriction Upon Use of Capital Contributions. The Lakeshore Company shall not utilize the capital contributions to the Reserve Account for general operating expenses. The capital contributions, or portions thereof, may be used only for improving or maintaining existing infrastructure. By way of example, capital contributions may be used for the replacement of roads and related improvements; replacements and capital improvements to existing common facilities such as any common buildings, the water system; dredging; and dam repairs. The foregoing expenditures would be included in the annual budget and must be approved by a majority vote at the annual meeting or any other meeting of the Lakeshore stockholders where a quorum is present.. Use of Reserve Account funds for any other purposes must be approved by two thirds of the shareholders at a meeting where a quorum is present. The forgoing approval procedures in this section will take the place of any other procedures for approval listed elsewhere in these bylaws.

Oversight of Capital Contributions Account. To assure compliance with the restrictions and intent set forth in this Amendment, Reserve Accounts shall be maintained in a separate reserve account or accounts and such account(s) shall be clearly named and identified as restricted capital contributions. The Board shall determine which expenditures should be made based on the approvals described in the foregoing paragraph. The Lakeshore Company shall establish a committee to be comprised of three shareholders of the Lakeshore Company who are

not board members. Such committee shall be responsible for reviewing the Account and Account information and reporting to the Lakeshore Company and its shareholders at least annually regarding the status of the Account and any additions or deletions to the balance(s). To minimize the risk of loss of principal, the capital Account shall be invested in federally insured account(s) or instruments, including United States Treasuries (notes or bonds). Therefore, capital contributions shall not be invested in equities (stock). The Board shall make the decisions on how these funds should be invested subject to the foregoing restrictions.

I/we approve this bylaw _____ I/we do not approve this bylaw _____

Signature: _____

Printed Signature: _____

Note: Each home has only one Lakeshore vote.

