

Proposed Lakeshore By Law changes

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, for instance out of the Lakeshore Company's operating expenses or fund, to one or more reserve accounts (collectively, the "**Account**"). Tax savings will increase annually inline with the average percent increase of Harding Township.

Restriction Upon Use of Capital Contributions. The Lakeshore Company shall not utilize the capital contributions for general operating expenses. The capital contributions, or portions thereof, may, with the approval of two-thirds of the Members, be used only for capital or infrastructure projects and improvements. By way of example, capital contributions may be used for the replacement of roads and related improvements; replacements and capital improvements to common facilities such as any common buildings; dredging; and dam repairs, improvements, and replacements.

Oversight of Capital Contributions Account. To assure compliance with the restrictions and intent set forth in this Amendment, Account 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 Lakeshore Company shall, establish a committee to be comprised of three Members of the Lakeshore Company. Such committee shall be responsible for reviewing the Account and Account information and reporting to the Lakeshore Company 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).

Statement of Account. Upon written request to the Lakeshore Company, a Member or contract purchaser of real property within the Community shall be entitled to a written statement of account (the "**Statement**") setting forth, for instance, the amount of any current applicable assessments and any other charges imposed upon the Member, including any outstanding late charges and costs of collection. The Purchaser shall be deemed to have assumed the obligations of the Seller and shall also be responsible for full payment of the charges that were outstanding as of the date the Purchaser acquired the real property. If Purchaser fails to resolve any outstanding assessments, late charges and costs of collection as of the date Purchaser acquires the real property, Purchaser shall be responsible for full payment.