

Lakeshore Company Annual Meeting January 27, 2012

The annual meeting of the Mt. Kemble Lake Association, Inc. was held on January 27, 2012 at the Clubhouse. The meeting was called to order at 7:10 pm by President Austin Godfrey.

Board Members Present: Barbara Coulter, Austin Godfrey, and Tawnya Kabnick

The Secretary indicated that a quorum of 65 shareholders were present or represented via proxies.

Copies of the minutes of last year's annual meeting were read and approved. They are always available on the MKL website.

Lakeshore Company Election: Austin Godfrey announced the results of the Lakeshore co. election: The board remains unchanged.

New Business: Austin Godfrey announced that the Lakeshore Company with the assistance of Bob Edgar has completed the process of easing its vacant lots, with the exception of the "Ball Field" lots. The result of easing the lots is a significant reduction in the property taxes paid by Lakeshore. In fact almost double what was estimated.

The Lakeshore Board working with the Association Board proposes revising Lakeshore assessments from the current level of \$1,250 per year to zero dollars per year. Offsetting this reduction, the Association will increase its dues by \$1,250. The Association will use this income to take care of all of Lakeshore's maintenance.

With the elimination of Lakeshore assessments no reserves will accumulate in Lakeshore, thus we propose removing the following by-law language that speaks to reserves and their management. The Association has proposed adding similar language to that being deleted here.

ARTICLE VII REAL PROPERTY TAX SAVINGS

Any real estate property tax savings realized as a result of restricting lots to prohibit their sale 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 in line with the average percent increase of Harding Township.

The Lakeshore Company shall not utilize the capital contributions for general operating expenses. The capital contributions, or portions thereof, may 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 existing common facilities such as any common buildings; dredging; and dam repairs, improvements, and replacements. Use of reserve funds for any other purposed must be approved by a two thirds of a quorum shareholders.

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 shareholders 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).

Discussion: Chris Allen suggests that the board formally thank Bob Edgar for all of his hard working easing the vacant lots.

A Motion was made to accept the by-law change and accepted.

The meeting was adjourned at 7:26 pm

Respectfully submitted,

Tawnya Kabnick
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Board meetings are scheduled for the following date:

March 5

April 2

May 7.

Meeting time 7:30