

Dear MKL Resident,

This package is very thick, but don't panic! If you like to immerse yourself in details, enjoy reading everything. But if you just want to get the big picture as quickly and simply as possible, just read these first few summary pages. As always, feel free to contact any member of the Boards with questions or comments.

The Annual Joint Meeting of the Mt. Kemble Lake Association, Inc. and Lakeshore Company
will be held on

Friday, January 27, 2012 at the Mt. Kemble Lake Clubhouse.

TGIF will be held starting at 6:00 PM

Annual Meeting starting at 7:00 PM

**If you are not able to attend, please sign the attached proxies and return them to
Tawnya Kabnick at 1 Beach Trail by Thursday, January 26, 2012.**

The boards of the Association and Lakeshore recommend approval of all these resolutions and bylaw changes. Remember your total annual dues/assessments will not change under any of the actions proposed for approval.

Proxies

In order to simplify voting your proxies for the proposed resolutions and bylaw changes (summarized below and detailed in the attached appendix), you may approve or disapprove all the resolutions at once by checking the appropriate box below and returning this page to the Secretary. **Or you may vote each resolution individually if that is your preference.**

SIMPLIFIED VOTING PROXY

With regard to both MKL Association and The Lakeshore Company

- I approve all the resolutions and proxies
- I do not approve any of the resolutions and proxies

How many Association votes does my home have (circle one): **1** or **2**.

Signature(s) _____

Note: Homes owned by two members are entitled to two Association votes. If the property is owned by only one resident, that resident can designate in writing to the Board "an additional resident aged 21 or above" who can vote as a second member for that home. If no such designation has been made, the home is entitled to only one Association vote. Lakeshore has only one vote per home.

DETAILED VOTING PROXY

The attached appendix provides the details of the bylaw changes/resolutions. If you would like to review in full detail the actions summarized in the next two pages, read the Appendix. Full details of all bylaw changes are attached as are Detail Proxies if you wish to vote on every bylaw change and resolution separately. If you have indicated your choice with reference to these proposals in the above paragraph, you do not need to do anything further.

The Association and Lakeshore boards requested an investigation into improvements in the efficiency of governing MKL. Improving the efficiency should:

1. Eliminate duplicate work by consolidating the roles of the Association and the Lakeshore Company in maintaining common property.
2. Make interactions between residents and the MKL government simpler, and thus less error-prone (e.g. eliminate residents writing checks in the wrong amount and/or to the wrong company).
3. Make internal governance tasks simpler and thus take less volunteer time.

Proposed Resolutions and By-Laws changes to be voted on at the Annual Meeting 2012:

Association:

The maintenance of common property has historically been split between the Lakeshore Company and the Association, often leading to duplicate work in planning, coordinating, reserving, and paying for particular maintenance activities. For example, in order to implement the recently approved reserve concept, it might be necessary to have reserve accounts and accountings in each company. This would increase the complexity of maintaining a reserve system and increase the work of the volunteer treasury staff. To streamline our operations, it is now proposed that ALL future maintenance activities (operational and capital) be planned, performed and paid for by the MKL Association.

Since the Association will be paying for ALL maintenance and capital activities, the recently passed measure to reduce expenses from real estate tax savings by deed restricting Lakeshore properties will create mismatches in the Lakeshore and Association companies between expenditures required for their operations and their income. In particular, Lakeshore Company will have too much revenue, and the Association, with its increased maintenance responsibilities, will have too little income. We thus propose a restructuring of dues/fees in the two companies as follows:

- The Lakeshore Board will reduce current annual assessments from \$1250 to \$0. (The Lakeshore board has already reduced its fees to zero contingent on the Association raising its dues by this same amount.) The Lakeshore Board further agrees to release to the Association any member checks it has received in 2012 to be applied to said member's Association account.
- The Association votes to raise dues by \$1250.
- All outstanding payables from 2011 and earlier are unaffected by either of these changes, will continue to be owed and will continue to accrue interest and late fees as proscribed in the corporate bylaws and procedures.

Total dues and assessments remain the same. There is no increase in your payments to the Lake.

The Association Board is also recommending a number of changes to the by-laws to both simplify and clarify sections of the by-laws. The by-law articles affected by the proposed changes are in Article VII, VIII and Article IX and are summarized here:

- Article VII Sections C, D, and E: changes proposed are to remove Section C-2 that relates to owners of undeveloped lots since there are no more privately held vacant lots. Clarify in Section D that the inception date of the new Membership fee will be on April 27, 2012, which does not change the date approved at the April 27, 2011 Special Meeting. Lastly, in Section E clarify the quarterly billing dates which will be on January 1, April 1, July 1, October 1.
- Article VII Section G: change is to clarify that dues are due on or before the aforementioned dates: January 1, April 1, July 1, and October 1. Payment received after the due date will be

subject to late fees as described in the by-laws. Notices of the impending dues dates will continue to be sent out in 30 days before each dues date.

- Article VIII: all former text regarding collections of dues and delinquency has been moved into this section, redundant material has been deleted, and dates have been revised to reflect the new billing cycle. The material on interest has been clarified and now reflects a standard “APR on all Outstanding Charges” approach (the same as used by credit card companies and banks). Automatic Suspension of Privileges has been revised from 30 to 60 days to make it consistent throughout the by-laws.
- Article VIII Section G- 9: This is a new addition to the by-laws. The intent of this section is to expedite the process for the Association to collect rents from tenants in the event that the homeowner is renting their home and collecting rent, but is delinquent in paying Association dues and assessments.
- Article IX Section C: since banks will no longer scrutinize checks for multiple signatures, changed to require multiple approvals.
- Article IX Section D & E: Change to address use of property tax savings to increase the long term reserves in the Association, rather than in Lakeshore. Similar language is proposed to be deleted from the Lakeshore by-laws (see Lakeshore proxy). This does not represent any change in the amounts of the reserves, but merely moves the reserves all into the Association. Language also changed to emphasize that the reserve funds are to be maintained in cash or cash like financial instruments and to consolidate two separate review processes into a single Annual Financial Review.

Lakeshore:

- Since Lakeshore will reduce assessments to \$0, the Board proposes the elimination of By-Law sections related to the property tax saving and reserve account management.
- The Lakeshore board nominates the following incumbents for re-election to the Lakeshore board: Austin Godfrey, Bobbi Coulter, and Tawnya Kabnick.

2012 Major Maintenance Plan

The association By-Laws require majority approval of expenditures from the long term capital fund. The only recommended expenditure for 2012 is not-to-exceed \$50,000 for repaving the lower section of Elm and the road between the two new homes which are being constructed on Lake Trail West.

APPENDIX

DETAILED BYLAW CHANGES
& DETAILED PROXIES

ARTICLE VII - DUES AND ASSESSMENTS

Section A. Levying - Dues and assessments shall be levied upon the owners of real property in order to maintain and enhance the MKL community-owned property and to further the purposes of the Association.

Section B. Adoption of Dues and Assessments - Annual dues in effect on the date of adoption of these By-Laws shall remain in effect from year to year until such time as the amount of annual dues is changed by a vote of two-thirds of the Members present in person or by proxy at an Annual Meeting or Special Meeting of the Association. One-time assessments must be approved by the same voting procedures.

Section C. Payment Structure and Computation - Dues and assessments shall be computed on the lots of real property within the Mt. Kemble Lake community, as designated on the current tax maps of Harding Township, according to the following:

1. Payment of the full amount of dues and assessments is the responsibility of the owner of real property and must be paid for each lot, subject to the exceptions in subsections 2 and 3 below.
2. ~~2. Owners of undeveloped lots, i.e., lots without a residence, shall pay no dues for an undeveloped lot provided that the lot remains in a natural, unused state. Owners of lots having no residence on them but which show evidence of use including, but not limited to, camping, picnicking, beaching of boats or parking of vehicles shall pay fifty percent (50%) of the amount of dues and assessments for that lot.~~
3. ~~23.~~ No dues or assessments shall be paid on any lots which are owned by the Lakeshore Company.
4. ~~43.~~ Any Member receiving a deduction on Harding Township real estate taxes because of age, income or disability, on making a written request to the Treasurer, will be granted a deduction on the Association's dues and/or assessments in an amount to be established periodically by the Board.

Section D. New members - In connection with the purchase of any real property within the Community, the purchaser shall be responsible for the payment of a contribution to the Association's ~~capital~~Reserve Fund, determined and calculated as one times the annual combined dues and assessments of the Association and Lakeshore Company (based on annualizing the applicable dues at the date of closing). This capital contribution shall be due and payable in four equal payments billed as additions to the ~~semi-annual~~ billing cycle of the Association. This capital contribution can be prepaid by the purchaser at any time. In the event the purchaser fails to remit payment to the Association, the payment shall be deemed past due and shall be collectable in the same manner as any other payment or assessment due and owing to the Association. Notwithstanding the foregoing, a capital contribution shall not be imposed or collected from any purchaser (i) who, at the time of the closing, is then a Member of the Association, or (ii) acquires the real property as a result of inheritance or pursuant to a legitimate estate planning transfer. The foregoing fee will not be imposed until ~~365 days after the adoption of by-law change~~April 28, 2012.

Section ED. Notice of Dues or Assessment Collection- Notice of dues shall be distributed by the Treasurer, at least 30 days in advance of the due date. Dues shall be paid by January 1, April 1, July1 and October 1 of each year (in proportions to be determined by the Board). Any year in which a dues increase is pending approval ~~at an Annual Meeting (held on the second Friday or Saturday in March)~~, the ~~April~~ the due date shall be extended to allow for 30-days dues notification following that meeting. Assessments shall be paid by such date as shall be specified when the assessment is approved at an Annual or Special Meeting of the Association.

Section F. Statement of Account - In connection with the purchase of any real property within the community, the Purchaser shall be deemed to have assumed the obligations of the Seller to the Association and shall also be responsible for full payment of all the charges that were outstanding as of the date the Purchaser acquired the real property. Upon written request to the Association, a 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, fees, dues and any other charges imposed upon the selling Member, including any outstanding late charges and costs of collection. If Purchaser fails to obtain written confirmation that full payment has been made of any such outstanding amounts due from the selling Member to the Association as of the date Purchaser acquires the real property, Purchaser shall be responsible for full payment of all such charges at the time of purchase.

Article VIII Collection of Dues and Member Delinquency of Financial Obligations

The Board shall take such steps as are necessary for the collection of all dues and assessments. Dues and assessments shall be paid to the Treasurer, who shall maintain records of the receipt and use of all such funds. Any Member shall be entitled to review those records on reasonable notice to the Treasurer. The following procedures and policies in connection with the payment of any and all dues, assessments, common expenses, fees, late fees, counsel fees, filing fees, charges, and any other payments due or coming due from any Member to the Association (collectively, "Outstanding Charge(s)"):

1. Payment Due Date; Late Charge. All installments of dues and assessments shall, unless otherwise expressly provided, be due and payable on or before January 1, April 1, July 1 and October 1 of each year. All other payments shall be due and payable upon notice thereof or, if expressly set forth, then upon the date set forth in the notice. The Association is not required to send statements or reminders of default regarding installments of annual dues or any other Outstanding Charges.

If any Outstanding Charge is received by the Association ~~on or before the 10th day following the date upon which it is due, there will be no late payment fee due and owing. If any Outstanding Charge is received after the 10th day following~~ after the date upon which it is due, there shall be due to the Association a late payment fee of twenty-five (\$25.00) Dollars for such late payment. A separate and additional late payment fee shall also be imposed in connection with each and every subsequent calendar month during which the Outstanding Charge remains unpaid, in whole or in part. Commencing as of and during the second calendar month, the late payment fee shall be \$50.00 for such second calendar month. Commencing as of and during the third calendar month, the late payment fee shall be \$75.00 for such third calendar month. Commencing as of and during the fourth calendar month, the late payment fee shall be \$100.00 for such fourth calendar month. Commencing as of and during the fifth and every subsequent calendar month, the late payment fee shall be \$125.00 for each such calendar month.

In addition to the above late fees, Outstanding Charges shall be subject to an interest charge set annually by Board resolution but not to exceed 18% (APR; compounded monthly), which will apply and compound monthly on all Outstanding Charges from the original due date.

The Board at its sole discretion may waive such penalties and interest in a hardship case, upon request from the Member in question.

2. Demand Letter; Notice of Intent to Accelerate and File Lien. The Board is authorized to accelerate the balance of the installments of any dues or any other Outstanding Charges if the installment has not been paid following its due date. Accordingly, the Association representative responsible for the collection of dues or assessments (i.e. its attorney) is directed, upon the advice of the Board or its managing agent, to send a demand letter (including a notice of intent to accelerate if the Outstanding Charge is not paid within a stated period of time, which acceleration "grace" period shall be not less than 10 days after notice via registered or certified mail and not less than 5 days after notice via personal delivery). This notice of intent to accelerate may not be sent prior to the sixtieth (60th) day following the date upon which the Outstanding Charge first became due and payable and the notice shall advise the Member that the balance of the installments of the annual Assessment shall be accelerated and become due and payable in full. The Member shall be responsible for all costs for this demand letter, including by way of example and not

limitation title searches, attorney's fees and filing fees.

3. Lien Filing. If any Member fails to make full payment of any outstanding dues or other Outstanding Charge within the 10 day (or, if applicable, 5 day) period specified in paragraph 2 above, then the Association's attorney is authorized and directed, upon advice from the Board, to prepare and file a lien with the Morris County Clerk. The Member shall also be responsible for the attorney's fee for the preparation of the lien and for any search and recording fees incurred in connection with or as a result of such lien. The fees and costs provided for in this paragraph shall be in addition to any other fees, costs, and expenses imposed in connection with the collection of Outstanding Charges. (The lien shall not be filed until on or after the 90th day following the date upon which the Outstanding Charge first became due.) In addition, in its sole discretion, the Association may notify the holder of any first mortgage encumbering the delinquent Member's property of the delinquency and acceleration and may provide notice of such delinquency to the other Members.

4. Collection Lawsuit. Pursuant to Article VI, Section 3 of the Bylaws, the Board may commence to foreclose a lien and/or commence a lawsuit to collect the Outstanding Charges. Accordingly, if any Member fails to make full payment of any Outstanding Charge within 120 days of the date such charge is due, then the Association's attorney is authorized and directed, upon advice from the Board, to commence a lawsuit against the appropriate parties to collect said Outstanding Charges and/or is authorized and directed, upon specific written advice from the Board, to commence foreclosure proceedings against the appropriate parties to collect said Outstanding Charges.

5. Post Judgment Collection Options. Once a judgment is obtained by the Association, the following options may, for example, be utilized to satisfy the judgment: Asset search, rent levy, bank levy, sale of personal property (including automobiles), wage garnishment and information subpoena. The cost for performing any related searches and obtaining this information shall be deemed to be a cost of collection and shall be collectible in the same manner as the Outstanding Charge. The Association's attorney may be directed by the Board, prior to obtaining a judgment, to begin gathering information to pursue any or all of these options. Failure by the delinquent Member to respond to the information subpoena may result in the issuance of a warrant for the Member's arrest. Subsequent apprehension by the Sheriff or Constable may result in imprisonment until all requested information is supplied.

6. Application of Payments. Late payments of Outstanding Charges shall be received and applied in the following order, until exhausted or until the Outstanding Charges have been paid in full: first, against late charges; then, against search costs, recording fees and other miscellaneous costs; then against attorney's fees, court costs, and costs of suit; and, finally, against the dues and assessment(s) (commencing with the most recent dues and assessment and proceeding in reverse chronological order).

7. Suspension of Privileges. At any time the Member is delinquent in the payment for fees for more than ~~30-60~~ days, all privileges appurtenant to being a member of the Association shall be automatically suspended. (Article VI, Section A is specifically amended to reflect automatic suspension for nonpayment, but said Section A shall continue in force and effect regarding misconduct.)

8. Costs of Collection. In addition to the specific costs referenced above, the delinquent Member shall also be responsible for any and all attorney's fees, court costs, costs of suit, and other expenses incurred by the Association in connection with any Outstanding Charges to the full extent permitted by the Governing Documents and applicable laws of the State of New Jersey.

9. Assignment of Rents:

(A) Subject to the rights of holders of first security interests, the Association may collect from rent, license fees, or other similar charges (collectively, "**rent**") due from a tenant or other occupant of a dwelling to a Delinquent Owner an amount not more than the amounts due to the Association including, by way of example and not limitation, unpaid annual common expense assessments, membership fees, title search cost, lien filing fees, late fees, costs of collection, including reasonable attorneys fees, and other costs, charges and expenses due to the Association (collectively, "**charges**").

"**Delinquent Owner**" means a Unit Owner who owes any charges to the Association which are thirty (30) or more days past due.

(B) Prior to taking any action permitted by this Resolution, the Association will give written notice by certified mail, return receipt requested to the Delinquent Owner, at the Delinquent Owner's last known address, of the Association's intent to collect the rent. The notice will set forth the exact amount the Association claims is due and will indicate the intent of the Association to collect the past due charges from rent, along with any other amounts that become due in the future and that remain unpaid for thirty (30) days after becoming due, including any annual assessments lawfully accelerated pursuant to the Governing Documents. A copy of the notice will also be sent to the holder of the Unit's first security interest of record. Any cost incurred by the Association to ascertain the identity of the holder of the first security interest, including the cost of the preparation of a title search, will constitute additional charges due with respect to the Unit.

(C) A Delinquent Owner will have ten (10) days from receipt of the notice required to be sent pursuant to paragraph (1) above to provide written proof of payment or a statement of the grounds upon which the assessment is disputed. Upon the failure of the Delinquent Owner to respond within ten (10) days after receipt of the notice, or within fifteen (15) days of mailing if no receipt is obtained, and provided that no written notice is received from the holder of the first security interest that it is exercising its right of assignment of rental proceeds, the Association will be entitled to notify and direct each tenant renting a Unit from the Delinquent Owner to pay all or a portion of the rent otherwise due from the Delinquent Owner to the Association. The amount to be applied from the rent will be limited to the lesser of: (i) the amount as stated in the notice to the Delinquent Owner or, (ii) an amount adjusted to reflect any calculation errors sought to be corrected by the Unit Owner, as stated in the response to the Association, if timely sent. No offset will be allowed for amounts which are unrelated to claims of calculation errors. The Association will have a continuing right to collect the rent from the tenant or tenants until the delinquent charges are paid in full.

(D) Nothing in this Article will prevent a Unit Owner or the Association from seeking a judicial remedy in a court of competent jurisdiction.

(E) This Resolution will not affect the right of a holder of a first security interest which is entitled to an assignment of rents and which has exercised its rights by written notice recorded in the Morris County Clerk's Office and such holder of a first security interest may collect such rents in accordance with an assignment of rents under which it is an assignee.

~~Dues and assessments are delinquent if not paid by the dates set forth in Article VII.~~

~~Section D above. Delinquent dues shall be subject to an interest charge equivalent to the maximum permitted by law but not to exceed 18%, which will accrue on the unpaid amount from the original due date. The Board may waive such interest at its discretion in a hardship case, upon request from the Member in question.~~

~~Delinquency of dues or assessments exceeding three (3) months shall be cause for the Board to begin suspension of Membership proceedings (Article VI). The Board shall use its discretion in hardship situations (Article V Section B.5).~~

~~When dues or other financial obligations to the Association are delinquent, the Board may take all necessary action to collect all that is owed including, but not limited to, perfecting a lien against the subject property and in the case of a pending property sale:~~

- ~~1. giving notice to Realtors and prospective purchasers and their agents and/or~~
- ~~2. requiring the purchaser to meet the obligation before or at the closing.~~

Article IX – USE OF MONIES

Section C. Disbursements – All disbursements shall be made by checks of the Association. All Association checking accounts shall be set up with requiring the signatures of any two officers of the Association for checks above \$1,000, all three officers' signatures being on file at the bank. Checks of up to and including \$1,000 may be written by any of the three officers. Expenditures exceeding \$1000 shall be approved by a second officer.

Section D. –Reserve Fund – Use of Capital Contributions. -Any real estate property tax savings realized as a result of restricting the development of Lakeshore owned lots shall be paid out of the Association's operating expenses or fund, to one or more Reserve Fund financial instruments (collectively, the "Reserve Fund"). Tax savings paid into the Reserve Fund will increase annually inline with the average percent tax increase or decrease of Harding Township.

The Association shall not utilize the capital contributions to the Reserve Account Fund for general operating expenses. The capital contributions, or portions thereof, Reserve Fund may be used only for improving improvements to or maintaining maintenance of existing infrastructure -where the costs is significant. By way of example, capital contributionsthe Reserve Fund may be used for the replacement of roads and related improvements; replacements to and capital improvements to repair of existing common facilities such as any common buildings, and 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 Association membership where a quorum is present. Use of Account fundsthe Reserve Fund for any other purposes must be approved by two thirds of the Members of the Association 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.

To assure compliance with the restrictions and intent set forth in this Amendment, capital contributionsthe Reserve Fund shall be maintained in a separate reserve account or accounts Reserve Fund financial instruments (the ("Account Instruments") and such Account Instruments 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 Association shall establish a committee to be comprised of three Members of the Association who are not members of the Board. Such committee Review Committee [Section E below] shall be responsible for reviewing the Account and Account information and reporting to the Association 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 Account Reserve Fund 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.

Section E. Examination of Books and Records -- The Board is required to have a financial review of the books and records relating to finances for each fiscal year to be completed each year by June 30th of the following calendar year by a public accountant or a review committee of Members (Review Committee). The nature and scope of the review will be at the discretion of the Review Committee, but shall be sufficient to reasonably verify that all Member dues, assessments, monies, and disbursements -- both Operating and Capital -- are properly accounted for and consistent with all restrictions and approvals listed herein. The Review Committee will consist of two or more non Board Members who will be appointed annually by the Board. The Review Committee, at its discretion, may require the Board to retain a licensed public accountant to conduct a review or provide assistance as needed. The Review Committee or licensed public accountant shall communicate the results of each review to the Board not later than September 30th noting the scope and procedures followed and results obtained. The Review shall also be posted on the community web site.

Lakeshore Company Bylaw Changes

The Lakeshore Company 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.

At the April 27, 2011 special meeting Shareholders voted by-law changes requiring that the tax savings be set aside in a reserve account to be used only for significant maintenance to Lakeshore assets. 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.

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).

MKL Association DETAILED PROXY

KNOW ALL PEOPLE BY THESE PRESENTS, that I, the undersigned, being a Member in the Mount Kemble Lake Association, do hereby constitute and appoint _____ or in the case that I have not written in another Member's name, a majority of such members of the Association Board as are actually present as my true and lawful attorney in my name, place and stead, to vote for me at the elections, or in any other matters requiring my formal action by vote, as my proxy at the Association Annual Meeting at the Clubhouse at Mt. Kemble Lake in Harding Township, New Jersey on Friday, January 27, 2012, and at any adjournments thereof, hereby granting the said attorney's full power and authority to act for me and in my name at said meeting, to the same extent and with the same force as I would be entitled to vote if then personally present, and hereby revoking all former proxies given in respect to by stock or membership. I specifically authorize my proxy to vote, according to my proxy's discretion, on any motions or amendments that may be introduced at the Meeting. IN WITNESS THEREOF I have set my hand and seal this ____ day of _____, 2012.

Print Name of Active Member

Signature of Active Member

Change By-Laws Section VII as described in attached document.

Vote: Yes _____ No _____

Change By-Laws Section VIII as described in attached document.

Vote: Yes _____ No _____

Change By-Laws Section IX as described in attached document.

Vote: Yes _____ No _____

Increase Association dues by \$1,250 to offset reduction in Lakeshore Dues of \$1,250. (The Lakeshore Board has already voted to reduce its assessments to zero contingent on the Association raising its dues by the same amount.) Total dues and assessments remain the same. There is no increase in your payments to the Lake.

Vote: Yes _____ No _____

Approve Major Maintenance Plan 2012 as described in attached document

Vote: Yes _____ No _____

Note: Owners of real property are automatically Members of the Association. Membership is limited to two Members per property. If there is a sole owner, an additional resident, age 21 or above, may be designated in writing to the Board by the owner.

LAKESHORE COMPANY PROXY
One proxy per property

KNOW ALL PEOPLE BY THESE PRESENTS, that I, the undersigned, being a Stockholder in Lakeshore Company, do hereby constitute and appoint _____ or, in the case that I have not written in another stockholder's name, a majority of such members of the Lakeshore Board as are actually present as my true and lawful attorney in my name, place and stead, to vote for me at the elections, or in any other matters requiring my formal action by vote, as my proxy, at the Lakeshore Annual Meeting at the Clubhouse, at Mt. Kemble Lake in Harding Township, New Jersey on Friday, January 27, 2012, and at any adjournments thereof, hereby granting the said attorney's full power and authority to act for me and in my name at said meeting, to the same extent and with the same force as I would be entitled to vote if then personally present, and hereby revoking all former proxies given in respect to by stock. I direct my proxy to vote on the slate supported by the Lakeshore Directors as I indicate below, and I also specifically authorize my proxy to vote, according to my proxy's discretion, on any motions or amendments that may be introduced at the Meeting.

IN WITNESS THEREOF I have set my hand and seal this _____ day of _____, 2012.

Print Name of Stockholder

Signature of Stockholder

Please vote to accept or reject the slate as presented by the 2011 Lakeshore Board:

Slate of Three Candidates to serve as Directors of Lakeshore Company in 2011:

Austin Godfrey Barbara Coulter Tawnya Kabnick

_____ **Accept the 2012 Slate**

_____ **Reject the 2012 Slate**

Change By-Laws to delete Article VII Real Property Tax Savings as shown in attachment

Yes _____ **No** _____