Condominium By-Laws August 2016

This document represents the working Version of the Consolidated By-Laws. This document has not been approved by the membership nor has it been filed with Leelanau County. It is being used to consolidate the various Amendments and produce a "clean" set of By-Laws.

At the point in time that this process is finished, the entire membership will vote on the acceptance and if passed, the final version will replace the existing documents.

CONDOMINIUM BYLAWS

EMPIRE HILLS

ARTICLE I

ASSOCIATION OF CO-OWNERS

Section 1. EMPIRE HILLS shall be administered by an Association of Co-Owners which shall be a non-profit corporation, hereinafter called the "Association" organized under the laws of the State of Michigan.

Section 2. The Association shall be organized to manage, maintain, and operate the Condominium in accordance with the Master Deed, these Bylaws, the Articles of Incorporation and Bylaws of the Association and the laws of the State of Michigan. The Association may provide for independent management of the Condominium Project.

Section 3. Membership in the Association and voting by the members of the Association shall be in accordance with the following provisions:

(a) Each Co-Owner shall be a member of the Association and no other person or entity shall be entitled to membership.

(b) The share of a Co-Owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his unit in the Condominium.

(c) Except as limited in these Bylaws, each Co-Owner shall be entitled to one vote for each Condominium unit owned when voting by number and one vote, the value of which shall equal the total of the percentages allocated to the units owned by such Co-owner as set forth in Article V of the Master Deed, when voting by value. Voting shall be by number except in those instances when voting is specifically required to be in value. Notwithstanding any other provision herein contained, voting shall be by number unless a majority of the percentages of value elects to vote on a given matter by percentage of value, in which case voting on that matter shall be by percentage of value.

(d) No Co-Owner, other than the Developer, shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a unit in the Condominium Project to the Association. No Co-Owner, other than the Developer, shall be entitled to vote prior to the First Annual Meeting of Members held in accordance with Section 8 of this Article I. The vote of each Co-Owner may only be cast by the individual representative designated by such

Co-Owner in the notice required in sub-paragraph (e) below or by a proxy given by such individual representative. The Developer shall be entitled to vote each unit which it owns and with respect to which it is paying full annual assessments. Notwithstanding anything herein to the contrary, a purchaser of a unit by means of a land contract shall be designated the owner of that unit and entitled to the vote for that unit.

(e) Each Co-Owner shall file a written notice with the Association, designating the individual representative who shall vote at meetings of the Association and receive all notices and other communications from the Association on behalf of such Co-Owner. Such notice shall state the name and address of each person, firm, corporation, partnership, association, trust or other entity who is the Co-Owner. Such notice shall be signed and dated by the Co-Owner. The individual representative designated may be changed by the Co-Owner at any time by filing a new notice in the manner herein provided.

(f) There shall be an annual meeting of the members of the Association commencing with the First Annual Meeting held as provided in Section 8 of this Article I. Other meetings may be provided for in the Bylaws of the Association. Notice of the time, place and subject matter of all meetings shall be given to each Co-Owner by mailing the same to each individual representative designated by the respective Co-Owner at least ten (10) days prior to said meeting.

(g) The presence, in person or by proxy, of one half (1/2) of the Co-Owners in Good Standing by number shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required to have a greater quorum. The written vote of any Co-Owner in Good Standing furnished at or prior to any duly called meeting, at which meeting said Co-Owner in Good Standing is not otherwise present in person or by proxy, shall be counted in determining the presence of a quorum with respect to the question upon which a vote is cast.

(h) Votes may be cast in person or by proxy or by writing, duly signed by the designated voting representative not present at a given meeting in person or by proxy. Proxies and any written vote must be filed with the secretary of the Association at or before the appointed time of each meeting of the members of the Association. Cumulative voting shall not be permitted.

(I) A majority, except where otherwise provided herein, shall consist of more than fifty (50%) percent in number (or percentage of value when voting by percentage of value) of those Co-Owners in Good Standing present in person or by proxy (or written vote, if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, a majority may be required to exceed the simple majority hereinabove set forth and may require such majority to be one of both number and value of designated voting representatives present

in person or by proxy, or by written ballot, if applicable, at a given meeting of the members of the Association.

Section 4. The Association shall keep detailed books of account showing all expenditures and receipts of administration which shall specify the maintenance and repair expenses of the common elements and any other expenses incurred by or on behalf of the Association and the Co-Owners. Such accounts and all other Association records shall be open for inspection by the Co-Owners and their mortgagees during reasonable working hours. The Association shall prepare and distribute to each Co-Owner at least once a year a financial statement, the contents of which shall be defined by the Association. The books of account shall be audited or reviewed at least annually by qualified independent accountants; provided, however, that such accountants need not be certified public accountants, nor does such audit need to be a certified audit. Any institutional holder of a first mortgage lien on any unit in the Condominium shall be entitled to receive a copy of such annual audited or reviewed financial statement within ninety (90) days following the end of the Association's fiscal year upon request therefor. The costs of any such audit or review and any accounting expenses shall be expenses of administration. The Association also shall maintain on file current copies of the Master Deed for the Project, any amendments thereto and all other Condominium Documents, and shall permit all Co-Owners, prospective purchasers and prospective mortgagees interested in the Project, to inspect the same during reasonable hours.

Section 5. The affairs of the Association shall be governed by a Board of Directors, all of whom shall serve without compensation and who must be members of the Association, except for the first Board of Directors designated in the Articles of Incorporation of the Association and any successors thereto elected by the Developer prior to the First Annual Meeting of the members of the Association.

Section 6. The Association Bylaws shall provide for the designation, number, terms of office, qualifications, manner of election, duties, removal and replacement of the officers of the Association and may contain any other provisions pertinent to officers of the Association in furtherance of the provisions and purposes of the Condominium Documents and not inconsistent therewith. Officers may be compensated but only upon the affirmative vote of more than sixty (60%) percent of all Co-owners in number.

Section 7. Every director and every officer of the corporation shall be indemnified by the corporation against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a director or officer when expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful or wanton misconduct or gross negligence in the performance of his duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based

upon a settlement by the director or officer seeking reimbursement or indemnification, the indemnification herein shall apply only if the Board of Directors (with the director(s) seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the corporation. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled. At least ten (10) days prior to payment of any indemnification which it has approved, the Board of Directors shall notify all Co-Owners thereof.

Section 8. The First Annual Meeting of the members of the Association may be convened by the Board of Directors and may be called at any time after conveyance of legal or equitable title to a unit to a non-developer Co-Owner but in no event later than one hundred twenty (120) days after such event. The date, time and place of such First Annual Meeting shall be set by the Board of Directors, and at least ten (10) days written notice thereof shall be given to each Co-Owner. Thereafter, an annual meeting shall be held each year on such date as is specified in the Association Bylaws. The Board of Directors shall establish an Advisory Committee of non-developer members upon the passage of: (a) one hundred twenty (120) days after legal or equitable title to one-third (1/3) of the condominium units that may be created has been conveyed to non-developer Co-Owners; or (b) one (1) year after the first conveyance of legal or equitable title to a condominium unit to a non-developer Co-Owner, whichever first occurs. The Advisory Committee shall meet with the Board of Directors to facilitate communication with the non-developer members and to aid in transferring control from the Developer to non-developer members. The Advisory Committee shall be composed of not less than one (1) nor more than three (3) non-developer members, who shall be appointed by the Board of Directors in any manner it selects, and who shall serve at the pleasure of the Board of Directors. The Advisory Committee shall automatically dissolve after a majority of the Board of Directors is comprised of non-developer Co-Owners. The Advisory Committee shall meet at least quarterly with the Board of Directors. Reasonable notice of such meetings shall be provided to all members of the Committee, and such meetings may be open or closed, in the discretion of the Board of Directors.

ARTICLE II

ASSESSMENTS

Section 1. The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium owned or possessed in common by the CoOwners, and personal property taxes based thereon shall be treated as expenses of administration.

Section 2. All costs incurred by the Association in satisfaction of any liability arising within, caused by, or connected with the common elements or the administration of the Condominium Project shall constitute expenditures affecting the administration of the Project, and all sums received as the proceeds of, or pursuant to, a policy of insurance securing the interest of the Co-Owners against liabilities or losses arising within, caused by, or connected with the common elements or the administration of the Condominium Project shall constitute receipts affecting the administration of the Condominium Project.

Section 3. Assessments shall be determined in accordance with the following provisions:

(a) The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves. An adequate reserve fund for maintenance, repairs, and replacement of those common elements that must be replaced on a periodic basis shall be established in the budget and must be funded by regular payments as set forth in Section 4 below rather than by special assessments. At a minimum, the reserve fund shall be equal to ten (10%) percent of the Association's current annual budget on a noncumulative basis. The minimum standard required by this section may prove to be inadequate for a particular project. The Association of Co-Owners shall carefully analyze their Condominium Project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes. Upon adoption of an annual budget by the Board of Directors, copies of said budget shall be mailed to each Co-Owner, although the delivery of a copy of the budget to each Co-owner shall not affect the liability of any Co-Owner for any existing or future assessments. Should the Board of Directors at any time determine, in the sole discretion of the Board of Directors, that the assessments levied are or may prove to be insufficient:

(1) to provide for the costs of operation and management of the Condominium;
(2) to provide replacements of existing common elements;
(3) to provide additions to the common elements not exceeding $1,000.00 annually; or
(4) to provide for the costs in the event of emergencies;

the Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary.

(b) Special assessments, in addition to those required in (a) above may be made by the Board of Directors from time to time and approved by the Co-Owners. Special assessments referred to in this paragraph shall not be levied without the prior approval of more than sixty (60%) percent of all Co-Owners in value and in number.

Section 4. All assessments levied against the Co-Owners to cover expenses of administration shall be apportioned among and paid by the Co-owners in accordance with the percentage of value allocated to each unit in Article V of the Master Deed without increase or decrease for the existence of any rights to the use of limited common elements appurtenant to a unit. Annual assessments as determined in accordance with Article II, Section 3(a) above, shall be payable by Co-Owners in equal semi-annual installments, commencing with acquisition of legal or equitable title to a unit. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. Assessments in default shall bear interest at the rate of seven (7%) percent per annum until paid in full. Each Co-Owner (whether one or more persons) shall be and remain personally liable for the payment of all assessments pertinent to his unit which may be levied while such Co-Owner is the owner thereof.

Section 5. No Co-Owner may exempt himself from liability for his contribution toward the expenses of administration by waiver of the use or enjoyment of any of the common elements or by the abandonment of his unit.

Section 6. The Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. Each Co-Owner, and every other person who, from time to time, has any interest in the Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose such lien either by judicial action or by advertisement, and further, to have authorized and empowered the Association to sell or to cause to be sold the unit with respect to which the assessment(s) is or are delinquent and to receive, hold, and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Notwithstanding anything to the contrary, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten *(10)* days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-Owner(s) at his or their last known address of a written notice that one or more installments of the semi-annual assessment levied against the pertinent unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing. Such written notice shall be in recordable form, executed by an authorized representative of the Association and shall set forth the following: *(1)* the name of the CoOwner of record thereof, (2) the legal description of the Condominium unit or units to which the notice applies, (3) the amounts due the Association of Co-Owners at the date of notice, exclusive of interest, costs, attorney fees and future assessments. The notice shall be recorded in the office of the Register of Deeds in the county in which the Condominium Project is located prior to the commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the ten (10) day period, the

Association may take such remedial action as may be available to it hereunder or under Michigan law. The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorney fees (not limited to statutory fees), and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-Owner in default and shall be secured by the lien on his unit(s). In the event of default by any Co-Owner in the payment of any installment of the annual assessment levied against his unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association may also discontinue the furnishing of any services to a Co-Owner in default upon seven (7) days' written notice to such Co-Owner of its intent to do so. A Co-Owner in default shall not be entitled to vote at any meeting of the Association so long as such default continues. A receiver may be appointed in an action for foreclosure of the assessment lien and may be empowered to take possession of the Condominium unit, if not occupied by the Co-Owner, and to lease the Condominium unit and to collect and apply the rental therefrom.

Section 7. Notwithstanding any other provisions of the Condominium Documents, the holder of any first mortgage covering any unit in the Project which comes into possession of the unit, pursuant to the remedies provided in the mortgage or by deed (or assignment) in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the property free of any claims for unpaid assessments or charges against the mortgaged unit which accrue prior to the time such holder comes into possession of the unit (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all units including the mortgaged unit).

Section 8. The Developer shall be responsible for payment of the full Association maintenance assessment, and all special assessments, for all units it owns.

Section 9. All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with the Act.

Section 10. A mechanic's lien otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, shall be subject to the Act. Pursuant to Section *111* of the Act, the purchaser of any Condominium unit may request a statement of the Association as to the outstanding amount of any unpaid assessments. Upon receipt of a written request to the Association accompanied by a copy of the right to acquire a unit, the Association shall provide a written statement of such unpaid assessments as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated therein. Upon the payment of that sum within the period stated, the Association's lien for assessments as to such unit shall be deemed satisfied; provided, however, that the failure of a purchaser to request such statement at least five (5) days prior to the closing of the purchase of such unit, shall render any unpaid assessments and the lien securing same, fully enforceable against such purchaser and the unit itself, to the extent provided by the Act. Under the Act, unpaid

assessments constitute a lien upon the unit and the proceeds of sale thereof prior to all claims except real property taxes and first mortgages of record.

ARTICLE Ill

ARBITRATION

Section 1. Disputes, claims or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputes, claims or grievances arising among or between Co-Owners and the Association shall, upon the election and written consent of the parties to any such disputes, claims or grievances and written notice to the Association, be submitted to arbitration and the parties thereto shall accept the arbitrator's decision as final and binding. The Commercial Arbitration Rules of the American Arbitration Association as amended and in effect from time to time hereafter shall be applicable to any such arbitration.

Section 2. No Co-Owner or the Association shall be precluded from petitioning the courts to resolve any such disputes, claims or grievances.

Section 3. Election by Co-Owners or the Association to submit any such dispute, claim or grievance to arbitration shall preclude such parties from litigating such dispute, claim or grievance in the courts.

ARTICLE IV

INSURANCE

Section 1. The Association shall only carry liability insurance, and worker's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the common elements of the Condominium Project.

Section 2. All such insurance shall be purchased by the Association for the benefit of the Association and the Co-Owners and their mortgagees as their interests may appear and all premiums for insurance carried by the Association shall be an expense of administration.

Section 3. Each Co-Owner shall obtain all necessary insurance coverage at his own expense upon his unit. It shall be each Co-Owner's responsibility to obtain insurance coverage for his unit, including any structures constructed thereon and his personal property located within his unit or elsewhere in the Condominium Project, for his personal liability for occurrences within his unit or upon limited common elements appurtenant to his unit, and for alternative living expense in the event of fire, and the Association shall have absolutely no responsibility for obtaining such coverage.

Section 4. All common elements of the Condominium Project shall be insured against fire and other perils covered by standard extended coverage endorsement in an amount equal to the maximum insurable replacement value as determined annually by the Board of Directors of the Association.

Section 5. The proceeds of any insurance policies received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction.

Section 6. Each Co-Owner, by ownership of a unit in the Condominium Project, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of insurance coverage, vandalism and malicious mischief, liability insurance and worker's compensation insurance, if applicable, pertinent to the Condominium Project and the common elements appurtenant thereto with such insurer as may, from time to time, provide such insurance to the Condominium Project.

ARTICLE V

RECONSTRUCTION OR REPAIR

Section 1. If any part of the Condominium property shall be damaged, the determination of whether or not it shall be reconstructed or repaired shall be made in the following manner:

(a) If the damaged property is a common element, the property shall be rebuilt or repaired if any unit in the Condominium is tenantable, unless it is determined that the Condominium shall be terminated and each institutional holder of a first mortgage lien on any unit in the Condominium has given its prior written approval of such termination.

(b) If the Condominium is so damaged that no unit is tenantable, and if each institutional holder of a first mortgage lien on any unit in the Condominium has given its prior written approval of the termination of the Condominium, the damaged property shall not be rebuilt and the Condominium shall be terminated, unless seventy-five (75%) percent or more of the Co-Owners in value and in number agree to reconstruction by vote or in writing within ninety (90) days after the destruction.

Section 2. Any such reconstruction or repair shall be substantially in accordance with the Master Deed and the plans and specifications for the Project.

Section 3. If the damage is only to a unit, which is the responsibility of a Co-Owner to maintain and repair, it shall be the responsibility of the Co-Owner to repair such damage in

accordance with Section 4 hereof. In all other cases, the responsibility for construction and repair shall be that of the Association.

Section 4. Each Co-Owner shall be responsible for the reconstruction, repair and maintenance of his unit. Notwithstanding anything contained herein to the contrary, the Association shall be responsible for the maintenance, repair and replacement of the stormwater retention areas as depicted on Exhibit "B" whether general common elements or located within the boundaries of certain units.

Section 5. The Association shall be responsible for the reconstruction, repair, and maintenance of the general common elements, including roadways and access easements, and any incidental damage to a unit caused by the reconstruction, repair or maintenance thereof. Immediately after a casualty causing damage to property for which the Association has a responsibility for maintenance, repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to replace, reconstruct or repair the damaged property and if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against all Co-owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair.

Section 6. The Act shall control upon any taking by eminent domain.

Section 7. Nothing contained in the Condominium Documents shall be construed to give a Condominium unit owner or any other party priority over any rights of first mortgagees of Condominium units pursuant to their mortgages and in the case of a distribution to Condominium unit owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium units and/or common elements.

ARTICLE VI

DEVELOPMENT/CONSTRUCTION

No Unit shall be used, nor shall any structure be erected or improvement made thereon or moved thereupon, unless the use thereof and location thereon satisfies the requirements of applicable zoning ordinances which are in effect at the time of the contemplated use or the construction of any structure or improvement, unless approval thereof is obtained by a variance from the appropriate zoning authority.

Section 1. Site Development/Architectural Review Committee.

1.1 An Architectural Review Committee shall be established by the Developer and shall at all times consist of the Developer and no less than two nor more than four persons appointed by the Developer, until such time as Developer elects not to serve, at which time the Association shall appoint such members; all members appointed by the Association shall be Unit Owners. The Architectural Review Committee shall assist Unit Owners in complying with the development restrictions set forth in Articles VI and VII of these Bylaws.

1.2 Except as otherwise provided herein, a majority of the members of the Committee shall have the power to act on behalf of the Committee without the necessity of a meeting and without the necessity of consulting the remaining members of the Committee. The Committee may act only by written instrument setting forth the action taken and signed by the members of the Committee consenting to such action, provided further, however, that the Developer's consent shall be required for all Committee action until such time as the Developer elects not to serve on the Committee.

1.3 If the Committee shall cease to exist or for any reason shall fail to function, the Board of Directors of the Association shall serve as the Committee, and in the absence of such a board, the Committee shall be selected by a majority of Unit Owners.

1.4 The Committee shall have no affirmative obligation to be certain that all of the restrictions contained in this Declaration are fully complied with and no member of the Committee shall have any liability, responsibility, or obligation, whatsoever, for any decision or lack thereof, in the carrying out of duties as a member of such Committee. Such Committee and its members shall have only an advisory function, and the sole responsibility for compliance with all of the terms of this Declaration shall rest with the Unit Owner. Each Unit Owner agrees to save, defend, and hold harmless the Committee and each of its members on account of any activities of the Committee relating to such Unit Owner's Unit or Improvements to be constructed on such Unit.

1.5 The Committee, if it observes deviations from or lack of compliance with the provisions of this Declaration, shall report such deviations or lack of compliance to the Board of Directors of the Association for appropriate action.

Section 2. Architectural Review Committee Approval.

2.1 No Unit Owner shall construct, alter, or maintain any Improvements on a Unit until all of the following have been completed:

(a) The Unit Owner has submitted to the Committee five (5) complete sets of preliminary sketches showing floor plans, exterior elevations and an outline of specifications for materials and finishes;

(b) The Committee has approved the preliminary sketches; and

(c) Upon approval of preliminary sketches, the Unit Owner has submitted to the Committee five (5) copies of complete site plans and specifications therefore, in a form satisfactory to the Committee, showing insofar as is appropriate:

(1) The size, dimensions and style of the Improvements, including, by way of illustration and not limitation, the dwelling and attached garage.

(2) The exterior design and building materials;

(3) The exterior color scheme;

(4) The location of the Improvements on the Unit, including, by way of illustration and not limitation, the dwelling and attached garage.

(5) The location of the driveways, parking areas and landscaping (including location and construction of all fences or walls, recreational facilities, and utilities) and the types of materials to be used therefore; and

(6) The vegetation proposed to be removed or altered in order to accommodate construction, complete landscaping and enhance views.

(d) Such site plans and specifications have been approved in writing by the Committee.

(e) An acknowledgment form is signed by both the Unit Owner and his contractor wherein each acknowledges that he has read and understands the provisions of the Master Deed and these Condominium Bylaws (including these development/construction restrictions).

2.2 Approval of the preliminary sketches and detailed site plans and specifications described above may be withheld, not only because of the noncompliance with any of the restrictions and conditions contained herein (including the submission of an incomplete site plan), but also because of the reasonable dissatisfaction of the Committee as to the location of the structure on the Unit, color scheme, finish, design, proportions, shape, height, type or appropriateness of the proposed Improvement or alteration, the materials used therein, the kind, shape or type of roof proposed to be placed thereon, or because of its reasonable dissatisfaction with any matters or things which, in the reasonable judgment of the Committee, would render the proposed Improvement inharmonious or out of keeping with the objectives of the Developer or the Improvements erected in the immediate vicinity of the Unit. The Developer's intention is to insure that all designs adhere to the "natural" philosophy of architecture in such a manner so as to contribute to the overall beauty and naturalness of the Premises and, as related to the topography, so as to be a compatible, coherent part of the existing landscape, especially with respect to the enhancement and preservation of the views offered by the project site.

2.3 Any building, structure or Improvement, including subsequent alterations or modifications, shall be erected or constructed in substantial conformity with the site plans and specifications approved by the Committee.

2.4 If at any time a Unit Owner shall have submitted to the Committee site plans and specifications in accordance with this section for a structure or alteration, and the Committee has neither approved such site plans and specifications within fourteen (14) days from the date of submission nor notified the Unit Owner of its objection within such 14-day period, then such site plans and specifications shall be deemed to have been approved by the Committee, provided that the site plans and specifications conform to, or are in harmony with, these restrictions, the applicable zoning ordinance and the existing structures in Empire Hills, and further provided that no suit to enjoin the construction has been commenced prior to the completion of any Improvements to the Unit. In the event that a Unit Owner shall file revised site plans and specifications for a structure or alteration with the Committee after receiving objections from the Committee with respect to original site plans and specifications, and the Committee has neither approved them nor notified the Unit Owner of further objections within fourteen (14) days from the date of submission, then such revised site plans and specifications shall be deemed to have been approved by the Committee. The date of submission is herein defined as the date upon which any member of the Committee has received said site plans and specifications.

Section 3. Character of Building.

3.1 The Developer recognizes that there can be an infinite number of concepts and ideas for the development of Units consistent with its plan for Empire Hills. The Developer wishes to encourage the formulation of new or innovative concepts and ideas. Nevertheless, for the protection of all Unit Owners, and for the preservation of the Developer's concept for the development of the Project, the Developer wishes to make certain that any development of a Unit will maintain the natural beauty of the Project, blend man-made structures into the natural environment to the extent reasonably possible, and in general, will be consistent with its plan for Empire Hills, including the following:

(a) No building shall be erected on any Unit except a single, private dwelling to be occupied by not more than one (1) family, for residential purposes only, with an attached two (2) or more car garage. The existing building (and any replacement) on Unit 80 may be utilized for all such permitted uses (including uses by right and special uses approved by the applicable zoning authority) in the PUD-B residential zoning district. Outbuildings and similar storage structures are not permitted on any Unit. The Unit area free of all buildings shall constitute at least seventy-five percent (75%) of the total land area of the building unit.

(b) Each dwelling constructed on Units 1 through 60 shall have a minimum of 1,500 square feet of finished living area on the first floor above grade. Each dwelling constructed on Units 61 through 80 shall have a minimum of 1,200 square feet of finished living area on the first floor above grade. The total above grade square footage of any garage constructed

on a Unit shall not exceed fifty percent (50%) of the above grade square footage of the dwelling constructed on that Unit. In no instance shall the total square footage of the attached garage be greater than 1,000 square feet.

(c) No Improvement or any part thereof (exclusive of chimneys and cupolas as permitted herein) constructed on Units 13-35, 39-47, 50-68 and 71-80 shall exceed a height of 28 feet, on Units 48, 49, 69 and 70 shall exceed a height of 35 feet, and for Units 1-12 and 36-38 a height of 40 feet, as measured from the highest existing grade within the footprint of the principal building to the highest point of the roof.

(d) Cupolas are allowed on Units, but must have a horizontal dimension of 15 feet or less on Units 13-35 and 39-42 and must comply with the maximum height limitation of 40 feet, as measured from the highest existing grade within the footprint of the principal building to the highest point of the roof. The maximum height if the structure has a cupola is 35 feet for Units 43-80.

(e) All chimney chases, including, but not limited to, fireplaces, furnaces, heaters or stoves shall be made of natural or man-made stone or masonry materials.

(f) All dwellings shall have sidewalls of not less than eight (8) feet in height and a roof pitch of not less than 8-12.

(g) Hip roofs are encouraged in order to minimize view obstruction.

(h) Roofing materials shall be of darker earth-tone shades. Materials shall be slate, cedar or 30-plus year textured asphalt shingles, or other materials of similar high quality. (i) Mobile homes, factory built modular structures, double-wide mobile homes and any other factory built structures which have metal frames and/or titles (whether referred to as "modular" or not) shall not be permitted. Campers, basement homes, tents, shacks, garages, barns or other outbuildings shall not be used as a temporary or permanent residence. No exterior cinder block or cement block dwellings shall be permitted. Earth and berm type dwellings and dome-shaped structures shall not be permitted. Panelized structures are specifically permitted.

(j) All exteriors will be rustic in appearance with earth tone colors encouraged, composed of natural wood (e.g. redwood, cedar or logs), brick, masonry type sidings or stone. The exterior siding may be of such other materials that may be approved by the Committee. No aluminum or vinyl siding will be allowed except for such uses as gutters, trim, soffit and fascia.

(k) Windows, all window frames, casings, sills and lintels will be of wood, vinyl or aluminum clad (painted).

(I) All construction materials shall satisfy all applicable building code requirements.

Section 4. Construction.

4.1 The setback of any dwelling, including overhangs, porches and decks, shall be a minimum of ten (10) feet from a sideline; decorative fencing is permitted within this area. The front setback (the setback from the general common element roadway areas) and the rear setback shall be as indicated on the Site-Plan (Exhibit B); no structures, overhangs,

Improvements (except decorative fencing and/or pools/hot tubs) or storage will be permitted in these areas. The setback from any common element (other than the private roads) shall be a minimum of ten (10) feet; no structures, Improvements (except decorative fencing and/or pools/hot tubs) or storage shall be permitted in this area. No setbacks as stated herein shall be amended or revised without the consent of each affected lot owner (affected lot owners include those affected by a potential change in their viewshed).

4.2 Unit Owners are required to connect their respective driveways to the paved, private roadways and their respective utilities lines to the utility leads located within the utility easement areas.

4.3 All stumps, trees and brush, cut or cleared during construction on any Unit must be removed from the Empire Hills Premises, except timber cut and saved for firewood, in reasonable amounts. Prior to burning, a permit should be obtained from the local fire department.

4.4 No Co-Owner shall interfere with the natural surface drainage from other Units.

4.5 The exterior of any Improvement shall not remain incomplete for a period of longer than six (6) months from the date upon which the construction of the Improvement was commenced without the approval of the Committee prior to the expiration of said period; all construction shall be pursued diligently to completion.

4.6 All land cuts caused by driveway installation or home construction must be stabilized with appropriate erosion control materials and in accordance with applicable permits.

4.7 Each Unit Owner shall be responsible for any damage to a common area or Improvements, which occurs as a result of construction on the Unit Owner's Unit and all such damage shall be repaired within thirty (30) days of occurrence by the responsible Unit Owner. In connection therewith, no heavy equipment is permitted on the roadway until Leelanau County "Frost Laws" are lifted each spring.

4.8 Any debris resulting from the construction or improvement or alteration of a Unit shall be removed with all reasonable dispatch from the Unit in order to prevent an unsightly or unsafe condition.

Section 5. Landscaping/Grade.

5.1 Natural groundcover, wood chips or other natural plantings that are indigenous to the area are encouraged.

5.2 The grade of the respective Units shall be maintained in harmony with the topography of the Project and with respect to adjoining Units.

5.3 In the interest of preserving the existing established condition of natural slopes, the Unit Owner shall maintain groundcover to prevent water and wind erosion to their Unit.

5.4 All Improvements shall be located so as to comply with the setback restrictions as described in Section 4.1 of this Article VI and as shown on Exhibit "B" attached hereto, and shall comply with all applicable zoning and building codes and/or ordinances.

5.5 The location of all Improvements shall be designed and located so as to be compatible with the natural surroundings and with the other Units.

5.6 All foundation landscaping (including driveway installation) must be completed according to the submitted and approved site plan as required in Article VI, Section II herein, within six (6) months of completion of the building and all yards must be seeded or sodded within six (6) months of completion of the building and be properly maintained thereafter.

5.7 Any and all landscaping necessary to substantially restore the Unit to, as is reasonably possible, its pre-construction status must be completed within twelve (12) months after the date of completion of the exterior of the Improvement.

5.8 In particular areas of Lots where a potential for view obstruction exists, landscaping elements should be limited to those whose height will not exceed twenty-four (24) inches.

Section 6. View Restrictions

In recognition of the fact that the Empire Hills development site offers home sites with outstanding views of Lake Michigan and the surrounding countryside, the Developer hereby promulgates the following set of guidelines and restrictions in order to preserve for all Co-Owners, to the fullest extent possible, these valuable view corridors:

6.1 Numbered Trees. Certain existing trees in the Development have been identified by the Developer as being aesthetically beneficial, while, at the same time, presenting no substantial current or future detriment to the view corridors of the Development. Said trees have been marked with numbered aluminum tags and are shown and catalogued on Exhibit “B” to the Master Deed. Said numbered trees are exempt from the limiting restrictions of this Section 6 and may be kept and maintained on any Unit by the Co-Owner of said Unit and may be kept and maintained on the general common elements by the Association, at their option, except in such instance whereby any such tree may cause a real threat to the safety or operation of the Condominium Project.

6.2 Identified Stands of Trees. Certain existing stands of trees in the Development have been identified by the Developer as being aesthetically beneficial, while, at the same time, presenting no substantial current or future detriment to the view corridors of the Development. Said stands of trees are identified on Exhibit "B" to the Master Deed. Said identified stands of trees are exempt from the limiting restrictions of this Section 6 and may be kept and maintained on any Unit by the Co-Owner of said Unit and may be kept and maintained on the general common elements by the Association, at their option, except in such instance whereby any such tree may cause a real threat to the safety or operation of the Condominium Project.

6.3 Unnumbered Trees and Vegetation. All other trees and vegetation in the Development, existing now or hereafter, other than the hereinabove mentioned numbered trees or identified stands of trees, shall be trimmed (or removed) in such a manner so as to protect and maintain the views of all Co-Owners.

Unnumbered trees and vegetation in the general common elements that may, from time to time, obstruct a Co-Owner's view may be trimmed or removed as reasonably necessary, by and at the expense of that Co-Owner, so as to protect and maintain his views. All Unit Owners shall be required to maintain brush and vegetation on their Units by having such brush and vegetation cut and/or mowed at least once annually.

Care should be taken by all Co-Owners when landscaping their Lots, and during any landscaping program undertaken by the Association, so as not to obstruct the views of other Co-Owners. In particular areas where a potential for view obstruction exists, landscaping elements should be limited to those whose height will not exceed twenty-four (24) inches. The Architectural Review Committee shall give particular scrutiny to this standard when reviewing and approving plans submitted to them for approval and during any landscaping program undertaken by the Association. Unnumbered trees and vegetation on the Project, including trees and vegetation added by any Co-Owner as a landscape element to his Lot or added by the Association as a landscape element to the general common element shall be trimmed (or removed) by each Co-Owner or the Association, respectively, in a manner so as to protect and maintain the views from any other Lot in the Development.

6.4 Procedures and Remedies for Relief. When a Co-Owner or the Association is notified, in writing, by any other Co-Owner that an unnumbered tree or vegetation, whose height exceeds twenty-four (24) inches, is obstructing a view, the obstructing Co-Owner or Association shall permit, in writing, the obstructed Co-Owner to take prudent measures to trim or remove the obstructing tree or vegetation at the obstructed Co-Owner's expense. Such permission shall not be unreasonably withheld.

In the event such permission is not granted the obstructed Co-Owner by the obstructing Co-Owner or the Association, the matter shall be referred to the Committee for prompt consideration and resolution. The Committee, after careful consideration, may rule that the obstructing Co-Owner or the Association is in violation
of this restriction and may resolve the matter through any remedy permitted by the Condominium Documents.

Section 7. Shared Driveways

In order to achieve both efficiencies in construction and enhanced aesthetics within the Project, the Developer has provided, in certain instances, limited common elements for the placement of shared driveways servicing adjoining Lots. The shared driveways to be located within such limited common element areas must be at least 16 feet wide and be of such length from the right-of-way as called for in and as depicted on Exhibit "B" attached hereto.

7.1 Lots 10 and 11, 12 and13, 35 and 36, 38 and 39 and 68 and 69 have been provided shared driveway limited common elements. The Owners of said Lots are specifically subject to the restrictions contained in this Section 7, as well as those restrictions governing all driveway construction contained elsewhere in these Condominium Bylaws.

7.2 In order to simplify the driveway construction process, the Owners of said Lots are strongly encouraged to commence the construction of their shared driveways within their respective limited common element areas simultaneously.

7.3 In the instance where adjoining Lot Owners cannot undertake the construction of their shared driveways simultaneously, the Lot Owner who initially commences construction on his Lot shall construct the driveway to be shared with his adjacent Lot Owner. The finished travel surface of the driveway shall be centered within the limited common element area i.e. the middle of the driveway is located in the middle of the limited common area, and shall be so located so that positive drainage will occur from the midpoint of the driveway toward the adjacent lots being served.

7.4 The Lot Owner who commences construction on his lot after such shared driveway has been constructed by the adjacent Lot Owner shall reimburse such adjacent Lot Owner for one-half of the actual construction cost incurred. Lot Owners sharing driveways shall be jointly and equally responsible for the shared maintenance and repair of their shared driveways, except in the case of negligent use or other appropriate use causing damage to the driveway, whereupon the negligent and/or responsible Lot Owner shall be solely responsible for the cost to repair such damage.

7.5 The Co-Owners who share such limited common element areas consent that in the event of non-payment of the construction costs or of any maintenance or repair expenses by either of them or in the event of a dispute regarding same, the Association may resolve the matter and treat any such amounts due as an additional assessment as provided herein and collect said amounts or enforce collection of said amounts as provided herein and disburse such amount as it deems appropriate.

Section 8. Miscellaneous.

8.1 Decorative, split rail fencing of the standard two-rail variety shall be permitted. Metal and chain link fencing is specifically prohibited. Safety fencing surrounding in-ground swimming pools must be of wood, wrought iron, stone or other natural material construction, but in no case may be taller than the minimum required by code. All other types of fencing shall be prohibited anywhere on the Condominium Premises. In no instance shall a fence of any material obstruct the view of another Unit Owner.

8.2 Screening, including but not limited to, vegetative screening, including hedges, or walls constructed of natural type materials (must be aesthetically related to the primary structure), shall be of no greater height than four (4) feet and shall in no instance obstruct other Unit Owner's views of Lake Michigan or the surrounding countryside.

8.3 No external air conditioning unit shall be placed in or attached to a window or wall of any structure. No compressor or other component of an air conditioning system, heat pump or similar system shall be visible from any roadway. To the extent reasonably possible, external components of an air conditioning system, heat pump or like system shall be located so as to minimize any disruption or negative impact thereof on adjoining Units in terms of noise or view. Air conditioning units shall be located in such areas so as to be as inconspicuous as possible and shall be screened from direct view with shrubbery or other vegetative materials.

8.4 Carports are specifically prohibited.

8.5 No exposed concrete or concrete blocks shall be permitted on any exterior except for foundation walls, which may be exposed to a maximum height of 18" above the finished ground level (grade). Any concrete or concrete block wall, which exceeds eighteen (18) inches in height above finished grade, must be covered with an approved exterior finish material.

8.6 All utilities, including, but not limited to, telephone, electric, cable television and gas, shall be underground from the private roads to all structures. Overhead utility service is not permitted anywhere on the Project for other than temporary uses.

8.7 Only satellite dishes of thirty-two (32) inches or less in diameter are allowed, and must be attached to the principal dwelling in a location that is as inconspicuous as reasonably possible. In the event that a satellite dish is unable to function properly when attached to the principal dwelling, then the location of the satellite dish must be specifically approved by the Committee.

8.8 No Unit Owner may be permitted to construct and/or use and operate their own external radio and/or television antenna without the approval of the Developer and/or the Association, as the case may be.

8.9 Propane gas tanks are specifically prohibited.

8.10 All driveways, aprons and parking areas must be stabilized with appropriate materials. For the purposes of emergency vehicle access, the areas cleared for-driveway purposes must be at least sixteen (16) feet wide, with a driveway travel-surface of at least twelve (12) feet in width (unless required to be wider elsewhere herein), and have a clearance (height) of at least sixteen (16) feet. All driveways shall be constructed as a paved (asphalt or concrete), brick or stone surface.

8.11 Above-ground swimming pools will not be permitted. Each Unit Owner shall be solely responsible to insure limited access to any pool, hot tub or whirlpool and shall be solely responsible for constructing or installing all necessary (or required) safety measures. Pools, hot tubs and whirlpools must be constructed so that they drain in a manner approved by the Committee.

8.12 Outdoor clotheslines are specifically prohibited.

8.13 No lawn ornaments, sculptures or statues shall be placed or permitted to remain on any Unit without the prior written approval of the Committee.

8.14 The size, color, style, location and other attributes of the mailbox and/or newspaper receptacle for any residence shall be as specified by the Committee.

8.15 The driveway on Unit 28 shall be constructed only onto W. Sleepy Valley Drive and at an entry point not to exceed one hundred feet (100') north of the southwest corner of the Unit.

The Committee shall have the right to waive or vary any of the restrictions contained in this Article VI, except where such waiver or variance would result in non-compliance with any Federal, State or Local regulation, in such cases as the Committee, in its sole judgment, shall deem to be in the best interest of those owning property in Empire Hills, as long as any such modified restriction is in substantial conformity with the Developer's intent for the Project.

ARTICLE VII

DEVELOPMENT RESTRICTIONS

Section 1. No Unit in Empire Hills shall be used for other than single-family residential purposes, and recreational uses incidental thereto and the common elements shall be used only for purposes consistent with the use of single-family residences except for Unit 80; Unit 80 may be utilized for all such permitted uses (including uses by right and special uses approved by the applicable zoning authority) in the PUD-B residential zoning district and such recreational uses incidental thereto and the common elements shall be used, by the Unit Owners and their guests and invitees, only for purposes consistent with the foregoing uses. Pursuant to the foregoing, the Unit Owner of Unit 80 shall be required to carry an all risk policy of general liability insurance with coverages in such amounts reasonably satisfactory to the Board of Directors of the Association from time to time and naming the Association as an additional insured. Not more than one single-family dwelling with attached garage shall be permitted on each Unit.

Section 2. Camping, including the use of recreational vehicles for dwelling purposes, is permitted on a Unit for not more than 2 consecutive days or more than 10 days in any calendar year. Camping on Units shall be prohibited after January 1, 2006. Camping as addressed in this Section 2, does not apply to the typical "backyard" camping activities engaged in by children.

Section 3. Home occupations are permitted as long as they are operated entirely within the dwelling, employ no other persons other than the occupants of the dwelling, generate no commercial traffic, generate no additional parking requirements and comply with all zoning regulations. No signage relating to home businesses shall be permitted.

Section 4. No Unit Owner shall rent or lease his residence without submitting the required form to the Board of Directors of the Association and obtaining written approval of the Board of Directors of the Association prior to renting. The term of such rental agreement or lease shall not exceed one year and any renewal or extension thereof shall only be granted with the approval of such Board of Directors. No Unit Owner may rent or lease a residence more than twice in any calendar year. In each of these two permitted rental or lease periods, the minimum allowable lease term shall be three (3) months. A lessee shall be governed by such Rules and Regulations as prescribed by the Board of Directors of the Association. Failure to

comply with said Rules and Regulations shall automatically terminate such rental agreement or lease and said lessee shall, upon order of the Board of Directors, immediately vacate the leased premises. Any lessee in violation of this provision shall not be permitted the use of the Common Areas.

Section 5. No immoral, improper, unlawful or offensive activity shall be carried on in any Unit or upon the common elements, limited or general, nor shall anything be done which may be or may become an annoyance or a nuisance to the Co-Owners of the Project, nor shall any unreasonably noisy activity be carried on in any Unit or on the common elements. No CoOwner shall do or permit anything to be done or keep or permit to be kept in his Unit or on the common elements anything that will increase the rate of insurance on the Project without the written approval of the Association and the responsible Co-Owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition.

Section 6. No Unit shall be used or maintained as a dumping ground for rubbish. Trash, garbage, or other waste shall be kept only in sanitary containers, which shall be kept out of view of the roadways. Garbage containers shall not be left at the road for more than 24 hours in any one week.

Section 7. The common elements, limited or general, shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in duly adopted rules and regulations of the Association. In general, no activity shall be carried on nor condition maintained by a Co-Owner either on his Unit or upon the common elements, which spoils the appearance of Empire Hills.

Section 8. No Co-Owner shall use, or permit the use by any occupant, agent, employee, invitee, guest or member of his family of any firearms or other similar dangerous weapons, projectiles or devices anywhere on or about the Condominium Premises. Hunting is prohibited on the Project.

Section 9. No travel trailers, motor homes, commercial vehicles (except light commercial vehicles used in the Co-Owner's employ), boat trailers, boats, camping vehicles, allterrain vehicles, camping trailers, snowmobiles, snowmobile trailers, or vehicles other than automobiles may be parked or stored upon the Premises of the Project for extended periods of time (defined as more than thirty (30) days in any twelve (12) month period) except within a garage. Unit Owners shall park their personal automobiles on their driveways or in their garages only.

Section 10. No signs or other advertising devices shall be displayed which are visible from the exterior of a Unit or on the common elements, with the exception of garage/yard sale signs on the actual days of any such sales (as permitted in Section 17 below). Real estate "For

Sale" signs are specifically permitted on Units upon which a principal dwelling has been constructed. "For Sale" and garage/yard sale signs shall be limited in size to three square feet. In the event that a Lot Owner wishes to have a sign indicating that his/her Lot is available for sale, a sign approved by the Board and obtained through the Board may be purchased and erected on the Lot. This Lot Available sign would replace the Lot Marker sign. The approved sign with details concerning materials, colors, size and installed height is shown in Attachment "1".

Section 11. No animals of any kind shall be raised, kept or permitted upon the Project premises other than usual household pets. Such animals are not to be kept, bred or raised for commercial purposes or in unreasonable numbers, and are to be reasonably controlled to avoid their being a nuisance to other Unit Owners. Unit Owners are responsible for cleaning up after their pets. In no event shall any savage or dangerous animal be kept. Dogs shall not be allowed to run free except within Units utilizing "invisible" fencing. All animals shall be subject to such rules and regulations as the Association shall from time to time adopt.

Section 12. Reasonable regulations consistent with the Act, the Master Deed and these Bylaws, concerning the use of the common elements may be made and amended from time to time by any Board of Directors of the Association, including the First Board of Directors (or its successors elected by the Developer) prior to the First Annual Meeting of the entire Association held as provided in Article I, Section 8, of these Bylaws. Copies of all such regulations and amendments thereto shall be furnished to all Co-Owners and shall become effective thirty (30) days after mailing or delivery thereof to the designated voting representative of each CoOwner. Any such regulation or amendment may be revoked at any time by the affirmative vote of more than seventy-five (75%) percent of all Co-Owners in number except that the Co-Owners may not revoke any regulation or amendment prior to said First Annual Meeting of the entire Association.

Section 13. The Association or its duly authorized agents shall have access to each Unit (but not the Improvements (buildings) constructed thereon) and any limited common elements appurtenant thereto from time to time, during reasonable working hours, upon notice to the Co-Owner thereof, as may be necessary for the maintenance, repair or replacement of any of the common elements. The Association or its agents shall also have access to each Unit and any limited common elements appurtenant thereto at all times without notice as may be necessary to make emergency repairs to prevent damage to the common elements or to another Unit.

Section 14. Each Co-Owner shall maintain his Unit and any limited common elements for which he has maintenance responsibility in a safe, clean and sanitary condition. Each CoOwner shall also use due care to avoid damaging any of the common elements including, but not limited to, the telephone, water, gas, plumbing, electrical or other utility conduits and systems and any other elements in any Unit which are appurtenant to or which may affect any

other Unit. Each Co-Owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the common elements by him, or his family, guests, agents or invitees, unless such damages or costs are covered by insurance carried by the Association in which case there shall be no such responsibility (unless reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible Co-Owner shall bear the expense to the extent of the deductible amount). Any costs or damages to the Association may be assessed to and collected from the responsible CoOwner in the manner provided in Article II hereof.

Section 15. None of the restrictions contained in this Article VII shall apply to the commercial activities or signs, if any, of the Developer during the development and sales period as defined hereinafter, or of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Incorporation and Bylaws as the same may be amended from time to time, or of any builder (with the express written consent of the Developer). For the purposes of this section, the development and sales period shall be deemed to continue so long as Developer owns any Unit, which he offers for sale or re-sale. Until all Units in the entire Project are sold by Developer, Developer shall have the right to maintain a sales office, a business office, a construction office, storage areas, reasonable parking incident to the foregoing and such access to, from and over the Project as may be reasonable to enable development and sale of the entire Project by Developer. Developer shall restore the areas so utilized to habitable status upon termination of use.

Section 16. The speed limit on all private roadways for all vehicles except emergency vehicles shall be twenty (20) miles per hour.

Section 17. No Unit Owner shall be permitted to conduct more than one (1) garage/yard sale per calendar year; any such sale must not be conducted for greater than three (3) consecutive days and may only be held on those days specified in advance by the Association.

Section 18. All garbage and refuse shall be promptly disposed of so that it will not be objectionable. No outside storage for refuse or garbage shall be maintained or used unless the same shall be properly concealed with vegetative screening.

Section 19. No elevated tanks of any kind shall be erected, placed or permitted on any Unit except as specifically provided herein. Any tanks used in connection with a dwelling or a Unit, including tanks for the storage of fuel, must be properly screened to sufficiently conceal them from the view of other Units and the roadway.

Section 20. Woodpiles shall be neatly stacked or properly screened.

Section 21. Unit Owners are strongly encouraged to limit the use of tarps on their Unit. Tarps, when in use, shall not be of such a size or color so as to compromise the aesthetics of the Project.

Section 22. No bug lights, so-called "bug zappers" or other similar bug elimination devices shall be erected or maintained on any Unit.

Section 23. No ramp, incline or like structure for the facilitation of skateboarding, roller skating, rollerblading or like activities shall be erected or maintained on any Unit. The Developers or the Committee shall have the authority to determine conclusively whether a structure falls within the prohibition set forth in this paragraph.

Section 24. No outdoor property night lights of any kind shall be permitted to cast its direct rays beyond any of the boundary Unit lines of the Unit in which it is installed or maintained. Properly shielded timed or automatic lighting devices will be permitted.

Section 25. As the Developer's intent is to preserve the wildlife and natural habitats of the area, to the greatest extent possible, each Unit Owner shall minimize its environmental impact and minimize the risk of environmental contamination or hazards to any common element or to his Unit.

(a) No person shall use any common element or their Unit as a dump or landfill or as a facility for waste treatment, storage or disposal.

(b) No person shall cause or permit the release or disposal of any petroleum products or hazardous substances on any common element or their Unit.

(c) No person will conduct any operations or activity on the Project in violation of any federal, state or local environmental law.

(d) Each Unit Owner shall not permit any condition to exist on the Project in violation of any federal, state or local environmental law.

(e) Each Unit Owner shall immediately notify all appropriate governmental agencies of any release or threatened release of hazardous substances or petroleum products within any common element of the Project or his Unit.

f) Each Unit Owner shall immediately notify the Developer and the Association of any communication from any governmental agency regarding any release or threatened release of hazardous substances or petroleum products on or relating to any common element or his Unit and upon request of the Developer or the Association, each Unit Owner shall provide the Developer with copies of all documents relating to such communications.

(g) No quarrying or mining operations of any kind nor any oil drilling, oil development or operating oil refining, except as permitted in Section 27 below, shall be permitted upon or in any Unit or any of the common elements; oil wells, tanks, mineral excavations or shafts shall not be permitted upon or in any Unit or any of the common elements. No derricks or other

structures designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Unit or any of the common elements.

Section 26. The Recreational Areas in Empire Hills, including the general common element open space areas and recreational pathways, are for pedestrian and recreational use (including but not limited to hiking, biking, cross-country skiing and tent camping (not to exceed forty-eight (48) hours and not within two hundred (200) feet of a Unit or private or public roadway)) by the Co-Owners and their guests only; the Association is permitted to utilize vehicles on such areas in furtherance of any maintenance activities. No motorized vehicles of any type will be otherwise allowed on the recreational areas at any time. Motorized vehicles such as snowmobiles and all-terrain vehicles and similar type vehicles shall be allowed on the general common element roadways (on the shoulder areas where practicable) for purposes of entering and exiting the Project only.

Section 27. Exploration and removal of minerals is permitted if no surface activity nor reduction of vertical support of the surface will occur.

Section 28. All of the terms and conditions of the Condominium Documents apply to Unit 80, as to the other Units in the Project, except to the extent that separate provisions for Unit 80 may be otherwise provided in the Condominium Documents and except for those provisions which are superseded or in conflict with the following provisions, which provisions specifically apply only to Unit 80.

(a) No trees shall be removed from Unit 80 unless they are dead, diseased or dangerous with the exception of any of the "pine-type" trees (conifers).

(b) New tree plantings and landscaping shall be allowed subject to the review and approval of the Committee so as to verify that views from other units will not be unreasonably obstructed presently or in the future.

(c) Structures and improvements existing on Unit 80 on the date of this Amendment are not subject to the review or approval provisions contained herein. Any and all changes, modifications and improvements to the structures/improvements on the Unit, or uses thereof, must be approved in writing by the Committee but shall not be unreasonably withheld as long as they are consistent with the intent of the Project, The Committee shall be permitted to consider the historical significance of the existing structures during its review of any requested change, modification, improvement or use. It is expressly understood that utilization of Unit 80 as a "bed and breakfast" and with its structures painted white, or any reasonable variation of white, would not be inconsistent with historical use and/or the uses otherwise permitted for Unit 80 and would be permitted without Committee review. As an example, the farmhouse on the Unit has historically been painted white. Although white is not a permitted color for dwellings in the Project, it would be appropriate for a farmhouse and thus would be permitted on Unit 80. However, although pink is a color often used on bed and breakfast structures, it would not be permitted on Unit 80 since it does not have historical significance. (d)

Any and all parking for the guests, invitees and customers of the Unit must be reasonably shielded from the other Units of the Project as much as reasonably possible. The provisions providing for new tree plantings and landscaping above shall include any necessary grading and soils for drainage purposes and upgrades to the driveway surface for Unit 80 to comply with any and all laws, ordinances or regulations of any local unit of government. The use of the existing barn or other structures on Unit 80 for parking and storage shall be allowed and not subject to review by the Committee or otherwise by the Association.

(e) Provisions relating to the use of Unit 80 herein as a "bed and breakfast" are not modifiable except with the written consent of the owner of Unit 80 irrespective of provisions to the contrary in the Condominium Documents.

The Committee shall have the right to waive or vary any of the restrictions contained in this Article VII, except where such waiver or variance would result in non-compliance with any Federal, State or Local regulation, in such cases as the Committee, in its sole judgment, shall deem to be in the best interest of those owning property in Empire Hills, as long as any such modified restriction is in substantial conformity with the Developer's intent for the Project.

ARTICLE VIII

MORTGAGES

Section 1. Any Co-Owner who mortgages his unit shall notify the Association of the name and address of the mortgagee, and the Association shall maintain such information in a book entitled “Mortgages of Units”. The Association may, at the written request of a mortgagee of any such unit, report any unpaid assessments due from the Co-Owner of such unit. The Association shall give to the holder of any first mortgage covering any unit in the Project written notification of any default in the performance of the obligations of the Co-Owner of such unit that is not cured within sixty (60) days.

Section 2. The Association shall notify each mortgagee appearing in said book of the name of each company insuring the Condominium against fire, perils covered by extended coverage, and vandalism and malicious mischief and the amounts of such coverage.

Section 3. Upon request submitted to the Association, any institutional holder of a first mortgage lien on any unit on the Condominium shall be entitled to receive written notification of every meeting of the members of the Association and to designate a representative to attend such meeting.

ARTICLE IX

AMENDMENTS

Section 1. Amendments to these Bylaws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the Directors or by one-third (1/3) or more in number of the members or by instrument in writing signed by them.

Section 2. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of the Association Bylaws.

Section 3. Except as expressly limited in Section 5 of this Article IX, these Bylaws may be amended by the Association at any regular annual meeting or a special meeting called for such purpose, by an affirmative vote of not less than two-thirds (2/3) of all Co-Owners in Good Standing.

Section 4. Prior to the First Annual Meeting of Members, these Bylaws may be amended by the First Board of Directors upon proposal of amendments by the Developer without approval from any person to make such amendments as shall not increase or decrease the benefits or obligations or materially affect the rights of any member of the Association.

Section 5. Any amendment to these Bylaws (but not the Association Bylaws) shall become effective upon the recording of such amendment in the Office of the Register of Deeds in the county where the Condominium is located.

Section 6. A copy of each amendment to the Bylaws shall be furnished to every member of the Association after adoption; provided, however, that any amendment to these Bylaws that is adopted in accordance with this Article shall be binding upon all persons who have an interest in the Project irrespective of whether such person actually receives a copy of the amendment.

ARTICLE X

COMPLIANCE

The Association of Co-Owners and all present or future Co-Owners, tenants, future tenants or any other persons acquiring an interest in or using the facilities of the Project in any manner are subject to and shall comply with the Act, as amended, and the mere acquisition, occupancy or rental of any unit or an interest therein or the utilization of or entry upon the Condominium Premises shall signify that the Condominium Documents are accepted and ratified. In the event the Condominium Documents conflict with the provisions of the Act, the Act shall govern.

ARTICLE Xl

DEFINITIONS

All terms used herein shall have the same meaning as set forth in the Master Deed to which these Bylaws are attached as an Exhibit or as set forth in the Act.

ARTICLE XII

REMEDIES FOR DEFAULT

Section 1. Any default by a Co-Owner shall entitle the Association or another Co-Owner or Co-Owners to the following relief:

(a) Failure to comply with any of the terms or provisions of the Condominium Documents or the Act shall be grounds for relief, which may include, but without limiting, an action to recover sums due for damages, injunctive relief, foreclosure of lien, or any combination thereof, and such relief may be sought by the Association or, if appropriate, by an aggrieved Co-Owner or Co-Owners.

(b) In any proceeding arising because of an alleged default by any CoOwner, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees (not limited to statutory fees), as may be determined by the Court, but in no event shall any Co-Owner be entitled to recover such attorneys' fees.

(c) The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the common elements, limited or general, or into any unit, where reasonably necessary, and summarily remove and abate, at the expense of the Co-Owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents.

(d) The violation of any of the provisions of the Condominium Documents by any Co-

Owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations. No fine may be assessed unless Rules and Regulations establishing such fine have been first duly adopted by the Board of Directors of the Association, and notice thereof given to all Co-Owners in the same manner as prescribed in Article II, Section 4, of the Association Bylaws. Thereafter, fines may be assessed only upon notice to the offending Co-Owners as prescribed in Article II, Section 4, and an opportunity for such Co-Owner to appear before the Board no less than seven (7) days from the date of the notice and offer evidence in defense of the alleged violation. All fines duly assessed may be collected in the same manner as provided in Article II of these Bylaws. No fines shall be levied for the first violation. No fine shall exceed $25.00 for the second violation, $50.00 for the third violation or $100.00 for the subsequent violation.

Section 2. The failure of the Association or of any Co-Owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or of any such Co-Owner to enforce such right, provisions, covenant or condition in the future.

Section 3. All rights, remedies, and privileges granted to the Association or any CoOwner or Co-Owners pursuant to any terms, provisions, covenants, or conditions of the aforesaid Condominium Documents shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude any party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

ARTICLE XIII

SEVERABILITY

In the event that any of the terms, provisions or covenants of these Bylaws or the Condominium Documents are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify, or impair in any manner whatsoever any of the other terms, provisions or covenants of such documents or the remaining portions of any terms, provisions or covenants held to be partially invalid or unenforceable.

Attachment 1

24" Wide X 18" High
Aluminum with vinyl
letters
Post is 1" X 6" treated wood
Sign is attached by 2 screws
Top of sign is 3' above ground
Repalces Lot marker