

MINUTES
FIRST MEETING OF MEMBERS
11/4/00

The First Meeting of Members of the Empire Hills Condominium Association was called to order by Chris McCrumb, Director, at 11:15 AM on Saturday, November 4, 2000 at the Empire Village Fire Hall.

Mr. McCrumb, General Manager of McKeough Land Company, Inc. (MLC), introduced the other two Directors of the Association, Pat Regan and Mike McKeough, respectively Vice-President and President of McKeough Land Company, Inc.

Owners present were:

Unit #37 – Chris and Stephanie McCrumb. Chris stated that they are not sure, but they are considering beginning to build next spring.

Unit #11 – Dave and Kim Rozanski.

Unit #13 – Dave and Carolyn Wollenhaupt.

Unit #10 – George and Donna Schuhmacher. George and Donna said they may build in about 2 years.

Unit #21 – Jim and Ann Dykstra.

Unit #38 – Terry and Darlene Sheehan. The Sheehan's new home at Empire Hills is now under construction.

It was noted that there will also probably be construction next year on Unit #32 (David Gray/Great North South Corporation) and Unit #36 (Joe and Trina Ball).

The total number of Unit Owners represented at the meeting, including the 39 Units owned by MLC was 45. Therefore, a quorum was present.

A package of materials related to this meeting, including an agenda, was distributed to all present and no changes were made to the agenda.

Mike McKeough urged all owners to stay involved as much as possible on Committees that may be formed such as Road, Architectural Review, Landscape, Open Space, Security Committees, etc.

Three Nominations for the succeeding Board of Directors were made. Chris McCrumb nominated Mike McKeough, Mike McKeough nominated Pat Regan and Pat Regan nominated Chris McCrumb. A voice vote was taken and the nominees were unanimously elected. This new Board will serve until the Second Annual Meeting of Members next year.

An Amendment to the Association Bylaws concerning officers was prepared and distributed by Chris McCrumb. Mike McKeough made a motion to amend the bylaws as proposed. Chris McCrumb seconded the motion. A voice vote was held and the motion passed unanimously. A copy of the Amendment will be mailed to all Unit Owners. The newly elected Board of Directors announced that the position of President would be held by Chris McCrumb, that of Treasurer by Mike McKeough and that of Secretary by Pat Regan.

An Amendment to Article I, Section 8 of the Condominium Bylaws was proposed whereby the maximum number of members on the Advisory Committee would be increased to 5. Pat Regan made a motion to so amend the Condominium Bylaws. Chris McCrumb seconded. A voice vote was held and the motion passed unanimously. Chris McCrumb will prepare and record the Amendment in accordance with the requirements of the Condominium Bylaws.

The following Unit Owners were appointed to the Advisory Committee by the Board:

Joe Ball; Dave Rozanski; Donna Schuhmacher; Jim Dykstra; and Darlene Sheehan. The Advisory Committee's responsibility is to meet at least quarterly with the Board to facilitate communication between Unit Owners and the Developer and to aid in the transfer of control from the Developer to Unit Owners.

It was noted that the current Architectural Review Committee (ARC) members are:

Chris McCrumb; Mike McKeough; Pat Regan; George Schuhmacher; and David Gray.

An ARC Checklist was distributed. The purpose of the checklist is to aid Unit Owners and their contractors in complying with the building restrictions at the project.

Future development at the Empire Hills project was discussed by Mike McKeough, Chris McCrumb and Pat Regan. MLC still owns 7.5 acres in the Village of Empire adjacent to Units 49-54. Additionally, MLC recently purchased at auction the Fillingham acreage (10.1 ac.) at the southwest corner of Front and Bennett Streets. The Fillingham purchase was a defensive move by MLC as much as anything in order to exercise control of this acreage that directly abuts the project. At present there is no firm plan in place as to how any of the undeveloped acreage will be developed. But, MLC would not mind seeing the Fillingham farmhouse be utilized as a Bed & Breakfast and the rest of the 10.1 acres developed into lots much like the rest of Empire Hills. MLC has been monitoring and trying to establish a dialogue with the Sutherland (owner of Cherry Republic) group of owners. This group owns 31 acres adjacent to the Empire Hills/Fillingham project. MLC would like to see its future

development fit nicely into whatever Sutherland develops. Continuity for pedestrian movement from Empire Hills through Sutherland and into the village proper would be a nice component. There has been some talk that the Sutherland site might be developed in a traditional village fashion with smaller lots and alleyways. However, there are density limitations imposed presently by the lack of municipal sewer and water services. The Board will monitor and further investigate the possibilities of bringing municipal water or community wells to the Empire Hills development, since the deep wells currently required by the Health Department may not be the most economical way to provide for domestic water supplies. It is MLC's understanding that, at present, the Village water service does not have the capacity to serve Empire Hills.

It was noted that the bathhouse, well house and barn in the Open Space would probably be retained. The mobile home will be removed when the current owners' grace period expires. The older barn/accessory building closest to Bennett Street will also be removed. The well house will be removed and a smaller more aesthetically pleasing structure will be constructed to house the pump. The metal pole building has been removed with the concrete slab remaining. The slab will be repaired and MLC would like to install two basketball hoops there for the owners.

It was suggested that some benches be placed at various points in the Open Space.

MLC will be constructing a landscaped entryway to the project that will include rock walls, plantings (irrigated) and an Empire Hills sign. A rough conceptual plan of the entryway was passed around for owners to look at.

It was noted that periodic mowing of the edges of the roadways will probably be a recurring budget item as well as snow plowing and maintenance of drainage structures.

It was noted that MLC has already paid for natural gas to be installed throughout the project and that this will be occurring very soon according to the gas company.

Chris McCrumb has met with the Township Assessor. Real estate taxes for this year will be levied in the following manner:

Units 5-20 and 29-42 will pay real estate taxes based on an Assessed Value of \$52,000.00 per Unit; and

All other Units will pay an equitable amount of the real estate taxes levied on the remainder of the bulk acreage at the project.

Mike McKeough distributed and reviewed copies of the Treasurer's Report, which included a Statement of Operations of the Association and an Association Budget for 2001. A motion to approve the budget was made and seconded and a unanimous voice vote to accept the budget was received. A copy of the Treasurer's report will be mailed to all Unit Owners. It was noted to remind all Unit Owners that Semi-Annual Dues in the amount of \$250.00 (for the

period 1/1/01 through 6/30/01 are due 1/1/01) for each Unit owned. Dues should be mailed and made payable to:

Empire Hills Condominium Association
104 South Union
Suite 210
Traverse City, MI 49684

MLC will be contributing for each Unit it owns at that time as well.

Mike McKeough mentioned that MLC has set up a website for Empire Hills. Unit Owners can visit the site by clicking on the link at the bottom of the Empire Hills home page, which can be found at www.EmpireHills.com. Part of the site will be a bulletin board for members to use. MLC is seeking comment from owners on how else the site might be used.

It was discussed and generally agreed that next year's meeting might be better held a bit earlier in the fall, perhaps in mid-October at peak fall foliage time.

MLC has arranged for owners to receive \$100.00 value Empire Hills logo gifts through the Land's End catalogue. Land's End catalogues were distributed and will be mailed to those who were not present. Due to the corporate wear computer system at Land's End, certificates will not be available until after the first of the year. Call MLC if you wish to place an order now or wait until you receive your gift certificate in the mail from MLC and then order directly from Land's End.

The meeting was adjourned at approximately 12:45 PM.