

HIDDEN HAMLET ASSOCIATION, INC.
A Michigan Non-Profit Corporation

By-Laws

The Effective Date of These Bylaws Is January 13, 2018

ARTICLE I
OFFICES

Section 1. The registered office shall be located in Harbor Springs, Michigan.

ARTICLE II
MEMBERSHIP

Section 1. Hidden Hamlet Property. “Hidden Hamlet” means the 13 subdivisions that are known as “Hidden Hamlet No. 1” through “Hidden Hamlet No. 13” and the one site-condominium project that is known as “Hidden Hamlet 14”, that are each located in Pleasantview Township, Emmet County, Michigan; and “Hidden Hamlet Property” means a lot or a condominium unit that is a part of Hidden Hamlet.

Section 2. Membership. Each person owning legal or equitable title to any Hidden Hamlet Property will be a member of the corporation; and no other persons may be a member of the corporation.

Section 3. Notice of Designated Voting Member. Immediately after acquiring any Hidden Hamlet Property, the owner of that Hidden Hamlet Property will deliver to the corporation a written notice identifying that Hidden Hamlet Property and stating the owner’s name and address, together with the required property transfer fee described in Article III, below. If that Hidden Hamlet Property is owned by more than one person, this notice must state the name and address of each person owning the property and must also identify the one person that is authorized by all of the persons owning that Hidden Hamlet Property to cast a vote in respect of that Hidden Hamlet Property. This notice must be signed by each person owning the Hidden Hamlet Property. All notices delivered by the corporation will be delivered to that one person on behalf of all of the persons owning that Hidden Hamlet Property.

Section 4. Termination of Membership. Membership in the corporation will terminate when a member sells or conveys or otherwise disposes of all of the Hidden Hamlet Property that is owned by that member.

**ARTICLE III
TRANSFER FEE**

Section 1. A new member will pay to the corporation a \$200.00 membership transfer fee. The membership transfer fee will be paid to the corporation not later than 30 days after the date when the new member's membership is first effective. Failure to pay the membership transfer fee may result in loss of "good standing", as described below in Article XI, Section 10.

**ARTICLE IV
ANNUAL MEETING OF MEMBERSHIP**

Section 1. All meetings of the membership for the election of Directors shall be held in Harbor Springs, State of Michigan, at such place as may be fixed from time to time by the Board of Directors.

Section 2. An annual meeting for election of directors and for any other business that may come before the meeting will be held December 26. If the annual meeting is not held on the designated date, the board will cause the meeting to be held as soon thereafter as convenient. Failure to hold meeting at designated time or to elect sufficient number of directors. Failure to hold the annual meeting at the designated time or to elect a sufficient number of directors at the meeting or any adjournment of the meeting, does not affect otherwise valid corporate acts or work a forfeiture or give cause for dissolution of the corporation.

Section 3. Written or printed notice of the annual meeting stating the place, day and hour of the meeting shall be given to each member entitled to vote there at no less than 10 days and not more than 60 days before the date of the meeting.

**ARTICLE V
SPECIAL MEETING OF MEMBERSHIP**

Section 1. Special meetings of the membership for any purpose other than the election of Directors may be held at such time and place as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 2. Special meetings of membership may be called at any time, for any purpose or purposes, by the Board of Directors or by any Director who has been requested to do so by petition of 10% of the members.

Section 3. Written or printed notice of a special meeting of membership, stating the time, place and purpose or purposes thereof, shall be given to each member entitled to vote at least 10 days and not more than 60 days before the date fixed for the meeting.

Section 4. The business transacted at any special meeting of the membership shall be limited to the purpose stated in the notice.

ARTICLE VI CONDUCT OF MEETINGS

Section 1. Meetings of the members will be conducted by the most senior officer of the corporation who is present at that meeting. The order of seniority of the officers is president, vice president, secretary, treasurer. Meetings of the corporation will otherwise be conducted according to any generally recognized manual of parliamentary procedures that has been adopted by the board of directors, to the extent that those procedures are not in conflict with the laws of the State of Michigan.

Section 2. The order of the business to be conducted at meetings of the members will be: First, to determine whether a quorum is present; Second, to determine that every member has received notice of the meeting or has duly waived notice of the meeting; Third, to read the minutes of the preceding meeting; Fourth, to receive reports by officers; Fifth, to receive reports by committees; Sixth, to appoint inspectors of election (at annual meetings and at special meetings called to elect directors); Seventh, to elect directors (at annual meetings and at special meetings called to elect directors); Eighth, to attend to any unfinished business; and Ninth, to attend to any new business. Meetings of the members will be conducted by the most senior officer of the corporation who is present at that meeting. The order of seniority of the officers is president, vice president, secretary, treasurer. Meetings of the corporation will otherwise be conducted according to any generally recognized manual of parliamentary procedures that has been adopted by the board of directors.

Section 3. Except as otherwise provided by statute, written notice of the time, place, and purposes of a membership meeting will be given not less than 10 days and not more than 60 days before the date of the meeting. Notice will be given either personally or by mail to each member of record entitled to vote at the meeting at his or her last address as it appears on the books of the corporation.

Section 4. The board of directors may fix in advance a record date for the purpose of determining the members entitled to notice of and to vote at a membership meeting or an adjournment of the meeting, or to express consent to or to dissent from a proposal without a meeting, or for the purpose of any other action. The date fixed will not be more than 60 days and not less than 10 days before the date of the meeting, or not more than 60 days before any other action.

Section 5. The secretary of the corporation or the agent of the corporation having charge of the membership records of the corporation will make and certify a complete list of the members entitled to vote at a membership meeting or any adjournment. The list will be arranged alphabetically with the address of each member, be produced

at the time and place of the membership meeting, be subject to inspection by any members during the whole time of the meeting, and be prima facie evidence of the members entitled to examine the list or vote at the meeting.

Section 6. The presence of at least 20 members, whether in person or by proxy, who as of the record date are entitled to vote at a membership meeting will constitute a quorum at the meeting. Whether or not a quorum is present, the meeting may be adjourned by vote of the members present.

Section 7. Each member is entitled to one vote on each matter submitted to a vote, except that if any particular Hidden Hamlet Property is owned by more than one person, then all of those persons together may only cast one vote, as more particularly described in Article II, Section 3, above; but all of those persons may attend any meetings of the corporation. A vote may be cast at a meeting either orally or in writing. When an action, other than the election of directors, is to be taken by a vote of the members, it will be authorized by a majority of the votes cast by the members entitled to vote, unless a greater vote is required by statute. Directors will be elected by a plurality of votes cast at any election.

ARTICLE VII DIRECTORS

Section 1. The number of Directors shall be nine. The Directors shall be elected at the annual membership meeting, and each Director elected shall serve for three years (or until his successor shall have been elected and qualified), except that at the first election of directors that is held after the effective date of these Bylaws, three directors will be elected to serve a one year term, three directors will be elected to serve a two year term, and three directors will be elected to serve a three year term.

Section 2. Any vacancy occurring in the Board of directors may be filled by the affirmative vote of a majority of the remaining Directors. A Director elected to fill a vacancy shall be elected for the unexpired portion of the term of his predecessor in office.

Section 3. The business affairs of the corporation shall be managed by its Board of Directors which may exercise all such powers of the corporation.

Section 4. The Directors may keep the books of the corporation, except such as are required by law to be kept within the state, outside of the state of Michigan, at such place or places as they may from time to time determine.

Section 5. One of the Directors shall be designated "Water Board Chairman" and shall be responsible for the operation of the water system.

Section 6. The Corporation shall indemnify any officer and any Director to the fullest extent permitted by Michigan law, against all judgments, payments, in settlement, fines,

and other reasonable costs and expenses (including attorney fees) incurred by such Officer or by such Director in connection with the defense of any action, suit, or proceedings which is brought or threatened in which such person is a party or is otherwise involved because he or she was or is a Director or Officer of the corporation. This right of indemnification shall continue as to a person who ceases to be a Director or Officer, and shall endure to the benefit of the heirs, executors, and administrators of that person.

ARTICLE VIII MEETINGS OF THE BOARD OF DIRECTORS

- Section 1.** Meetings of the Board of Directors, regular or special, may be held either in or out the State of Michigan.
- Section 2.** Regular meetings of the Board of Directors may be held upon such notice, and at such time and at such place as shall from time to time be determined by the Board.
- Section 3.** Special meetings of the Board of Directors may be called by President on 5 day's notice to each director, either personally, or by mail, by telegram or telephone; special meetings shall be called by the President or Secretary in like manner and on like notice on the written requests of two Directors.
- Section 4.** Four of the Directors shall constitute a quorum for the transaction of business unless a greater number as required by law. The act of the majority of the Directors present at any meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number as required by statute. If a quorum shall not be present at any meeting of Directors, the Directors present there may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

ARTICLE IX EXECUTIVE COMMITTEE

The Board of Directors, by resolution adopted by a majority of the number of Directors fixed by the by-laws or otherwise, may designate three or more Directors to constitute an executive committee, which committee, to the extent provided in such resolution, shall have and exercise all the authority of the Board of Directors in the management of the corporation, except as otherwise required by law. Vacancies in the membership of the committee shall be filled by the Board of Directors at a regular or special meeting of the Board of Directors. The executive committee shall keep regular minutes of its proceedings and report the same to the Board when required.

ARTICLE X OFFICERS

- Section 1.** The Officers of the corporation shall be chosen by the membership and shall be President, a Vice-President, a Secretary and a Treasurer.
- Section 2.** The Board of Directors may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors.
- Section 3.** The officers of the corporation shall hold office until their successors are chosen and qualify. Any officer elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of the majority of the Board of Directors. Any vacancy occurring in any office of the corporation shall be filled by the Board of Directors.
- Section 4.** The President. The President shall be the Chief Executive Officer of the Corporation, shall preside at all meetings of the members and the Board of Directors, shall have general and active management of the business of the corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect.
- Section 5.** The Vice President. The Vice-President, shall, in the absence or disability of the President, perform the duties and exercise the powers of the President, shall act as Chairman of the Architectural Control Committee, and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.
- Section 6.** The Secretary. The Secretary shall attend all meetings of the Board of Directors and all meetings of the membership and record all the proceedings of the meetings of the corporation and of the Board of Directors to a book to be kept for that purpose and shall perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all meetings of the membership and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or President, under whose supervision the Secretary shall be.
- Section 7.** The Treasurer.
- a. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements of books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depository as may be designated by the Board of Directors.

- b. The Treasurer shall disburse the funds of the corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an account of all transactions as Treasurer and of the financial condition of the corporation.
- c. If required by the Board of Directors the Treasurer shall give the corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the corporation, in case of his or her death, resignation, retirement or removal from office, all books, papers, vouchers, money and other property of whatever kind in his or her possession or under his control belonging to the corporation shall be turned over to the Board of Directors.

ARTICLE XI GENERAL PROVISIONS

- Section 1.** All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate. Initially, this shall be the Treasurer and one other Director.
- Section 2.** The fiscal year of the corporation shall be fixed by a resolution of the Board of Directors.
- Section 3.** Nothing in these Bylaws or Resolutions of the Board of Directors shall in any way practice or approve any discrimination or any character on the basis of race, color or religious affiliation.
- Section 4.** No Officer or Director shall receive any salary for his services. Fees for attendance at Directors' meetings and reimbursement for actual expenses shall be permitted.
- Section 5.** These Bylaws may be altered, amended or repealed or new By-laws may be adopted (a) at any regular or special meeting of membership at which a quorum is present or represented, by the affirmative vote of a majority of the members present, provided notice of the proposed alteration, amendment or repeal be contained in the notice of such meeting, or (b) by the affirmative vote of a majority of the Board of Directors at any regular or special meeting of the Board. The Board of Directors shall not make or alter any By-laws fixing their number, qualifications, classifications, term in office or compensation.
- Section 6.** The Directors of the corporation shall at least once in a year cause a true statement of the operations and properties of the corporation for the preceding fiscal year to be made at the Annual Membership Meeting.

Section 7. The operations of the corporation shall be financed by dues assessments. At the end of each fiscal year, the Board of Directors shall determine the amount thereof and shall send notices thereon to the membership by the next August 1st. Members who are not paid up by the following November 1st shall be suspend-able by Board actions and may lose all rights accorded to policy. Penalties for non-payment shall be determined by the Board of Directors and may include legal actions of collection and/or lien imposition and foreclosure.

Section 8. It shall be the duty of the Board of Directors to create and maintain a separate fund of liquid assets, with a minimum amount of \$20,000, that will meet the requirements of maintenance and construction of a water well and distribution system that assures each member in good standing an adequate supply of water for the expected use of the members lot and which meets the approval of the Michigan Department of Health. Expenditures of this fund require approval of two-thirds of the Board of Directors. This section can only be amended by a vote of the membership.

Section 9. The Board of Directors shall prepare and maintain a Membership Directory; and may adopt, alter or expand and shall enforce appropriate policies, rules, regulations, recommendations and directions such as but not limited to those set forth in the existing Architectural Control, Rental Position and Snowmobile-Bike Regulations.

Section 10. Good Standing.

- a. Definition. "In good standing". Each member of the corporation is automatically a member "in good standing" until such time as a committee of the Board of Directors (the Determination Committee), pursuant to the procedure outlined below issues a written determination that a member is "not in good standing".
- b. Hidden Hamlet Services. Each member who is "in good standing" is entitled to receive the services generally provided by the corporation, such as water, rubbish removal and snow removal. Any member who has been determined by the Board of Directors to be a member "not in good standing" shall not be entitled to these services.
- c. Changed status only upon good cause. The status of a member can be changed from "in good standing" to "not in good standing" by the Determination Committee only for good cause. A good cause determination may be supported by any of the following:
 1. Non-payment of Hidden Hamlet Association, Inc. dues and/or transfer fees.
 2. The occurrence (or repeated occurrence) of a nuisance or disturbance of the peace (which has been caused by the member, any members of his or

her family, or by any person(s) who have been occupying and/or using the members chalet with the members permission.)

3. Abusive use of snowmobiles or motor bikes.
 4. Failure to comply with Hidden Hamlet Association By-laws and/ or Board approved Policies.
 5. Causing any other problem that adversely affects the membership of Hidden Hamlet.
 6. The extended or off-season outdoor storage of recreational vehicles, boats, snowmobiles, cars, equipment or any unsightly items.
 7. Placing a "For Sale" sign on lot and/or property.
- d. Hearing prior to changing status. The President of Hidden Hamlet Association shall convene a meeting of five Board Members, who shall constitute the Determination Committee, within three weeks of receiving a written complaint from any Hidden Hamlet Association member, which, as determined by the President, is serious enough to warrant further consideration. The purpose of this meeting shall be to decide if good cause exists in order to change a members standing from "in good standing" to "not in good standing". The member who is the subject of the complaint shall be given (either personally or by certified mail) written notice of this hearing along with a copy of the complaint, not less than two weeks prior to the holding of this meeting. The notice of the meeting shall indicate the date, time and location of the meeting and shall also indicate the specific purpose of the meeting. The member who is the subject of the meeting shall be entitled to present testimony and shall also be entitled to have witnesses testify on his or her behalf. If the member is unable to personally attend, then he/she shall be entitled to select a representative for this purpose. It is not required, but it is suggested, that the member who is the subject matter of this hearing submit to the President of the corporation, prior to the holding of this hearing, a written reply.
- e. The decision to change the members "in good standing" status to "not in good standing" shall be made only upon a vote of four of the five Determination Committee members.
- f. If a member's status is changed to "not in good standing", at the same time, a determination shall also be made as to the time period that such status change shall remain in effect and any conditions that have to be met. In any event, such change in status shall not exceed a full winter (December 1 - April 30) or a full summer (May 1 - November 31) season. During the time that a member is "not in good standing" he/she shall not be entitled to receive services generally provided by Hidden Hamlet. The written decision of the Determination Committee shall be

immediately provided to the member whose status has been changed and also to all other members of the Board of Directors.

- g. A return to "in good standing" status shall occur (1) automatically upon expiration of the penalty time period, or (2) upon written consent of at least four Determination Committee members.
- h. Probation Status. Change to Status of a member "In Good Standing." In the event the status of a member is changed by the Determination Committee from "not in good standing" to "in good standing", such members shall be on a probationary status for one year. If a violation occurs within such one year time period, the "not in good standing" status may be reinstated upon a majority vote of the Board of Directors made at any meeting called by the President of the Corporation. A Board Member who participates at such meeting by telephone shall be entitled to vote at such meeting as long as his/her comments can be heard at the meeting by all the Board Members who are attending the meeting.

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