

# HIDDEN HAMLET BY-LAWS & RESTRICTIONS

## Policies, Services Available, and General Information

### A. Snowmobile, Mini-Bike, Trail bike, Motorcycle

The following recommendations for snowmobiling, mini-biking, trail-biking, and motorcycling in Hidden Hamlet have been developed by the snowmobile committee of the association:

1. The STATE OF MICHIGAN'S LAW AND SAFETY CODE requirements for recreational vehicles are to be followed at all times.
2. The Hidden Hamlet roads will be used as access routes to designated areas only, between the hours of 9 AM and 10 PM, and not as a track or speedway.
3. All Hamlet snowmobile traffic to and from Nub's Nob should use a route consisting of Alphon Road, the road in front of the Lamp lighter Lodge across the eastern boundary of the Nub's Nob parking lot, to the Lodge area. Snowmobilers should avoid using the Nub's Nob road from the Tyrol Lane intersection up to the Lodge.
4. The use or crossing of any property lot, with or without a chalet, is prohibited.
5. A maximum speed of 15 miles per hour is to be observed on Hamlet roads and headlights are to be on whenever machines are in operation.
6. Underage child operators are to be supervised by adults.

### B. Rentals

As it continues to grow in both size and beauty each year, Hidden Hamlet also becomes more attractive as the site for ownership of property to be used mainly for rental income purpose, which local real estate operators may be quick to emphasize.

To allow this type of commercial ownership will change the entire character of the Hamlet. Major emphasis on rental occupancy is much more likely to lead to activities harmful to the area. Equally important should be that the growth of commercial ownership will detract from the investment each of us has made in the Hamlet.

Finally, ownership mainly for rental income purposes is a clear violation of the deed restrictions covering every lot in Hidden Hamlet.

Therefore, in order to protect the future of the Hamlet as well as the individual investment of each Association member, the following position has been formulated on commercial use.

Statement of position on commercial use:

Building and use restrictions which encumber every lot in Hidden Hamlet contain a provision prohibiting use for other than single family residence and specifically prohibiting commercial activity. At what point the leasing of a chalet becomes prohibited is not entirely clear and the Association now asks to formalize an interpretation so that our residents will know in advance the extent to which their rental activities are limited. It follows that use of any of the properties in a manner which is beyond or exceeds this interpretation will obligate the Association's officers to protect the membership by initiating an appropriate and prompt redress.

The board of directors should be aware of the desire on the part of most residents to have the freedom to rent out their chalets from time to time and recognize that this opportunity in many instances formed a part of the decision to make an investment in Hidden Hamlet. It should not be the intent to add a restriction that did not exist in the first place. The intent is to replace ambiguity with clarity.

1. The temporary character of the relationship that a weekend tenant has to the chalet he occupies is the type of occupancy that gives rise to the activities most harmful to the neighborhood. However, we all know that the longer the term of tenancy, the more likely that the tenant will be happy to abide by the rules and regulations which, after all, are equally to his benefit.

**POSITION: Any written lease of a single family residence longer in term than two months shall not be considered commercial activity, providing that tenant has agreed to abide by all the subdivision's restrictions.**

2. As an adjunct to the rationale of Position 1, and in an attempt to balance that analysis with our investment position:

**POSITION: Weekend or short term rentals shall not exceed, in any calendar year, the time spent in occupancy by the owner in the same year.**

3. As a necessary corollary to the positions outlined above, a statement of the following is required:

**POSITION:** Any chalet held and advertised exclusively for weekend or short term rental shall be recognized as commercial activity in violation of the restriction.

**C. Storage in Yard or Roadside**

1. Storage is prohibited. That includes trailer, recreational vehicles (when not in season), inoperable cars or trucks, and dog houses.

**D. Animal Pets**

1. They are not to have free reign in the Hamlet for health and peace reasons. The owner's yard should be the pet's bathroom. All pets should be supervised and leashed when outdoors.
2. Trained animals do not bark at, jump on or run after people and cars. These traits will not be tolerated in the Hamlet.

**E. Water System Improvement Fund**

In June, 1980, the membership associated allocated a \$20,000 Water System Improvement Fund to be utilized in correcting any problems within the water system, in the future, should the system require expansion due to demands from within the Hamlet.

Costs for the maintenance of the water system are assessed against each lot. Operating costs are assessed against chalets. For specific information please refer to the proposed yearly budget which is published with the dues statement in August of every year. Monies left over at the end of the fiscal year in the "Fixed Expense" account may be placed in the Water System Improvement Fund (WSIF).

**F. Rubbish**

1. All garbage is to be put in plastic bags and sealed. Please put into a proper garbage can with a lid. The garbage can is to be stored by the chalet in view of the road.
2. Pickup is on MONDAY. Regular weekly garbage/trash pickup service has been contracted for each chalet for a total of 52 pick ups per year. The charge applies whether or not there is garbage or trash to be removed from the premises.
3. PLEASE, do not place rubbish in the driveway on the roadside. Leave cans near your chalet at the same spot. Put rubbish in plastic bags and tie. We pay to have that service of getting and picking up the rubbish at the chalet. Please do not put at roadside. It is dangerous and unsightly to do so because the cans blow onto the road and stay there for months.

**G. Snow Removal**

Arrangements have been made for driveways to be plowed out when necessary. The charge is based on 15 plowings. If we have fewer than 15 plowings, the excess funds remaining will be allocated to the Hamlet Water System Improvement Fund. The owner must mark the desired area that they want plowed. It is very important that the entrance, drive and yard are marked because it eliminates property damage and assures the plowing of the driveway.

**H. Fire Protection**

Since 1979 Pleasantview Township pays Harbor Springs for fire protection in Hidden Hamlet.

**I. Organizational Expense**

This charge covers bookkeeping, financial statement preparation, bank account charges, mailing costs and miscellaneous association expenses.

**J. Safe Deposit Box**

The important papers of the association are kept in a safe deposit box located at Bank of Northern Michigan in Petoskey. Keys to this box are kept by the President and Treasurer.

**K. Building and Use Restrictions for Hidden Hamlet**

Land Use and Building Type

The described parcel shall be used for single family residential purposes only. No commercial activity or business shall be permitted on any lot. No more than one dwelling shall be constructed on any one lot. No residence shall be inhabited prior to its exterior finishing, and no property owner shall park, erect or inhabit any house trailer, tent, shack, or temporary structure of said parcel in the above described subdivision. No noxious or offensive activity or pursuit shall be carried on upon said parcel, nor anything be done thereon which may be, or may become an annoyance or nuisance to neighboring lands. No outdoor toilets shall be permitted to be erected or used on said parcel.

Architectural Control

No building shall be erected or placed on said parcel until the construction plans, specifications and a plan showing the location of the structure have been approved by the following:

1. Architectural Control Committee as to quality of workmanship, material, harmony of structural design with existing structures location with respect to topography, finish grade elevation and setbacks.
2. Pleasantview Township Zoning/Building Permit Board as all new buildings of any size and/or revision (s) to increase the outer size of an existing building must first be reviewed for zoning requirements. This is to be done before excavation or construction begins.
3. Fees and/or Dues as any and all fees, including transfer fees, must be paid in full prior to excavation.
4. An application is to be obtained from, and returned to, the Vice President of Hidden Hamlet Association to build a new structure or for modification of an existing home in the Subdivision.

#### Building Location

No building shall be located on said parcel nearer than 40 feet to any front line, 25 feet to any rear line or nearer than 10 feet to any side line.

Note that the Township Zoning setbacks will apply if they require a greater setback.

#### Architectural Control Committee

Is composed of the Vice-President and two Board Members of the Association. None of the members of the committee, nor its designated representative shall be entitled to any compensation for services performed pursuant to this covenant. At any time, the then record owners of a majority of the lots or chalets shall have the power, through a duly recorded written instrument, to change the membership of the committee or to withdraw from the committee or to restore to it any of its powers and duties.

#### Architectural Committee Procedure

The Committee's approval or disapproval is required in these covenants shall be in writing. In the event the committee, or its designated representative fails to approve or disapprove within 30 days after plans and specifications have been submitted to it, or in any event, if no suit to enjoin the construction has been commenced prior to the completion thereof, approval will not be required and the related covenants shall be deemed to have been fully complied with.

### Enforcement

Shall be by proceedings at law or in equity against any persons violating or attempting to violate any covenant either to restrain violation or to recover damages. Legal expenses as attorney fees, court costs, etc., incurred by Hidden Hamlet Association, Inc., for defending and/or enforcing these covenants shall be fully reimbursed by the member who is violating the covenants proven in a court of law.

### Severability

Invalidation of any one of these covenants by judgement or court order shall in no way affect any of the other provisions which shall remain in full force and effect.

### Selling of Property

The seller of a chalet/lot must contact Hidden Hamlet Association. The information required is date of sale and name of buyer.

### Building Restrictions

1. No modular Homes will be approved.
2. Buildings, excepting concrete slab floors, must have conventional foundations of poured concrete or concrete blocks.
3. Roofs must be asphalt, wood, metal, fiberglass or a generally acceptable finished roofing material. Roll roofing, tarpaper or building paper are not permitted on the finished exterior of any building.
4. No barbed wire, chain link or similar fencing shall be placed on the perimeter of any lot. No perimeter fencing shall be constructed that will obstruct views from other lots. The Architectural Committee has final authority to approve or prohibit any fencing upon lots.
5. Security lights shall be placed so as to cause no annoyance to adjoining property owners.
6. Contractors, sub-contractors or building trades persons shall use either a dumpster, truck or a trash trailer while constructing new dwellings or remodeling. All construction waste material shall be removed from site on a weekly basis.
7. Contractors are required to comply with the Association By-Laws. No work shall be performed before 8:00 a.m. nor later than 9:00 p.m. In addition no work will be allowed on Sunday nor on Holidays.
8. As much as possible, the building to be constructed shall be in harmony with the architectural thesis existing in the Hidden Hamlet area.
9. While no minimum building square footage is required, applicants are encouraged to consider potential resale value by constructing a building that include a minimum of three bedrooms, one and one half or two baths and a rustic exterior treatment.

10. The site plan should be designed to protect as many trees on the lot as possible, protect the water system and insure that septic tank affluent will be kept from adjacent property. A septic tank permit is required by law from the Emmet County Health Department prior to starting installation. A permit is needed when locating the house and driveway, or to provide space for snow plowing or the accumulation of plowed snow. The septic tank location should be established in a convenient location for servicing and "pump out" when needed. And the off street parking should include space for two cars, minimum.
11. It is suggested that no more than three exterior colors be used when picking a color scheme, and that they vary from colors already used on neighboring buildings located on adjacent lots.
12. The use of aluminum siding, untreated wood, or reflective exterior siding is discouraged.
13. You may use any qualified builder of your choice to construct a home in Hidden Hamlet. We suggest that you get who specializes in this type of construction for the best quality and most economic cost.

#### **L. Water System**

The membership dues of the Hidden Hamlet Association, Inc. provides water to the subdivision. The Association is responsible for the maintenance and operation of the Pump stations and the main distribution lines.

The main distribution water supply network runs underground through all the pump stations in a circular pattern through out Hidden Hamlet. Water is supplied to the Chalets in Hidden Hamlet by tapping into the main line. The method that has been followed is to install a tee in the main line and run a header pipe towards the Chalet. The purpose of the header pipe is to provide an accessible location for a manual shut off valve. The shut off valve is located at the edge of each lot near the road. There is a vertical piece of pipe exiting from the top of the valve and protruding out of the ground for access to the valve. A key is introduced through this vertical pipe to open and close the valve. Water is supplied to the Chalet from this valve via additional underground piping by the owner of the Chalet.

#### **Responsibilities**

Hidden Hamlet Association, Inc. is responsible for the maintenance and operation of all pumping stations and main distribution water lines up to the shut off valve.

Chalet owners are responsible for accessibility to the shut off valve and the water lines to their Chalet. Owners should maintain the location of the vertical shut off valve access pipe and be sure it is capped.

#### Note

Normally there is a shut off valve in each Chalet. It is suggested that owners know the location of this valve and its use. If there is no shut off valve in your Chalet it is suggested that you have one installed. The water system consists of two active wells above ground with houses, each with a hydropneumatic tank, a back up generator and a distribution network of 6 and 8 inch water mains. Keys to the well houses are kept by the Water Manager and the Water Board Chairman. A maintenance schedule is defined in the Maintenance Manual Operation and Checks of the system. A completed design of the proposed future water system is on file with the Water Board Chairman. The original drawing of the water system is on file with Benchmark Engineering.

Because of the 125 foot difference in elevation within the Hamlet, the distribution system is divided into two pressure zones, upper and lower. The connection between the zones is at a normally closed stop valve on the north edge of the road at the intersection of Alphof Lane and Chamonix.

The upper zone serves lots 30, 45-57, Lamplighter Lodge, lots 57A, 57B and 57C.

The lower zone, which serves all of Hidden Hamlet is made up of well No. 5 & 6. During months of high demand, well No. 5 and 6 are the primary supply. During low demand, well No. 5 is the primary supply with well No. 6 providing standby.

#### Distribution

Water in the upper zone is distributed through 2" galvanized mains. The lower zone water is distributed through a combination of 4" and 6" mains.

#### Water Sampling

Benchmark Engineering of Harbor Springs is the consultant for the water system and the liaison with the State Department of Health.

A water management contract calls for monthly water samples to be sent to the lab (Waste Water Treatment Plant in Petoskey, Michigan), who then delivers them to the Michigan State Department of Public



Health. The report of the tests is to be sent to the Water Board Chairman and kept on file for three years. This is a requirement of the State Department of Health. The contract also calls for the testing of the wells not in use at the time.

Maintenance

A contract for Water Management is issued by the board of directors annually.

Tap-in Fees

Tap-in fees for the water system are to be paid at the time of the sale of the lot by the owner.

Specifications of Wells

*Well No. 5 Main Well*

6.00 inch diameter, located on the corner of Sun Valley Drive and Winter Park Drive.

*Well No. 6*

8.00 inch diameter, located on the corner of Sun Valley Drive and Winter Park Drive.

M. Meetings

The annual membership meeting is set by the Board of Directors and found in the index under Meetings and Events.

N. Assessments

1. Fiscal year runs from July 1 through June 30.
2. The assessment must NEVER be itemized. (We will be considered a utility under the regulation of the State and taxed as such if we list water as one of our services). A copy of the budget which accompanies the billing may contain the itemization of the billing.
3. When water line is tapped, you will move from "lot owner" to "chalet owner". Dues will be prorated.
4. Association dues are billed August 1 annually and payment must be received no later than November 1 of the same year without a penalty for delinquency being incurred.
5. On November 5, or the first business day thereafter, the unpaid property owner's invoice will be considered delinquent and a late fee of \$100 will be imposed by sending a registered certified letter to the owner. If the invoice and \$100 late penalty fee are not

received by Hidden Hamlet Association within 25 days of mailing the certified letter, the delinquent account shall be turned over to the Association attorney for collection of said debt and the placement of a lien upon the property in arrange.

6. **The property owner will be responsible for all additional expenses incurred by the Association to collect the debt.** These include but are not limited to legal and lien fees, mail expenses, telephone and secretarial costs. A protracted delinquency will require the Hidden Hamlet Association President to initiate Article IX, Section 10 and all its inclusions.

O. Ownership Transfer Fee

A new lot owner shall pay to the Hidden Hamlet Association an owner transfer fee in the amount of \$200.00, which shall be paid in 30 days of the lot ownership transfer date. Failure to timely pay this fee may result enforcing by-law Article IX, section 10. This by-law provision applied to the transfer of any lot located within the Plats of Hidden Hamlet.

## **Officers and Board of Directors Responsibilities**

May be changed by a majority of the board of directors

**President:**

1. The President shall call and conduct meetings of the board of directors and the membership.
2. He shall enter into contracts for: (Hidden Hamlet has no employees)
  - a) snow plowing -- will be done as needed. Area Manager will make the decision if plowing is to be done. He should notify the bookkeeper of the dates of each plowing (to be sent with the monthly bill.)
  - b) area management
  - c) bookkeeping
  - d) weed mowing -- during the summer will be determined by the Board of Directors and the Area Manager.
  - e) well maintenance and water samples
3. The President shall appoint a Water Board Chairman & Committee.
4. The President shall maintain a president's book with the minutes of the meetings, contracts and whatever correspondence is pertinent to the organization.
5. The President shall appoint a nominating committee to prepare a slate of officers for the annual meeting.

**Vice-President:**

1. Shall assist the President with all duties in preparation for holding the office of president.
2. The Vice-President is Hidden Hamlet's representative on the Architectural Committee and chairman of annual membership booklet update.

**President and Board of Directors:**

1. Approve the budget for the year and set the amount of the annual assessment.
2. Authorize maintenance of the road signs and well houses.
3. Delegate the responsibility of keeping water system records.
4. Select or continue the services of the Association's legal advisor.
5. Authorizes an audit of the treasurer's and/or bookkeeper's books.
6. Conduct any and all other business relating to Hidden Hamlet.

**Secretary:**

1. The secretary should take minutes of all meetings, annual and board, and prepare them for mailing to the membership in good time.
2. The secretary should maintain a record of all minutes and other records of the association.
3. The secretary should notify board members of meetings.
4. The secretary should maintain the mailing list of the association.
5. The secretary should send notice of the annual meeting and other association events.

**Treasurer:**

1. The treasurer is responsible for the financial well-being of the association.

**Bookkeeper:**

1. The bookkeeper shall maintain a proper set of books of the transactions of the association.
2. Send statements for annual assessments to the members.
3. Prepares a proposed budget for the board.
4. Prepares the Michigan Annual Report.
5. Prepares changes of address for secretary.

**Expenses:**

1. All expenses incurred by the officers or board members on behalf of the association shall be reimbursed, i.e. telephone, postage, copies, etc.
2. Receipts for such expenses should be presented to the treasurer or bookkeeper for payment.

# **HIDDEN HAMLET ASSOCIATION, INC.**

A Michigan Non-Profit Corporation

## **By-Laws**

**PURPOSE:** To take title to property, both real and personal, to establish budgets and dues schedules, to collect dues and charges, to make contracts for services and repairs, to prosecute legal actions in its own name and to do all other necessary acts in the administration of a property association formed by and for the benefit of owners of lots in the Hidden Hamlet Subdivisions in section 34, Pleasantview Township, Emmet County, Michigan.

### **ARTICLE I OFFICES**

- Section 1. The registered office shall be located in Harbor Springs, Michigan.
- Section 2. The corporation may also have offices at such other places both within and without the State of Michigan as the Board of Directors may from time to time determine or the business of the corporation may require.

### **ARTICLE II 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. Since 1972 the membership's annual meeting is when election by a plurality vote for the Board Officers and Directors happens. This meeting date is set by the Board.
- 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 20 days before the date of the meeting.

**ARTICLE III  
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 20 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 IV  
DIRECTORS**

- Section 1. The number of Directors shall be nine. Directors need not be residents of the state of Michigan nor property holders in Hidden Hamlet. The Directors, shall be elected at the annual membership meeting, and each Director elected shall serve until the next succeeding annual meeting and until his successor shall have been elected and qualified.
- 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. Every effort will be made to insure that no Board Member will serve over 3 consecutive years and that each year 3 Board Members will retire and be replaced.

#### **ARTICLE V 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 VI 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 3 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 VII NOTICES

Whenever, under the provisions of the statutes or of the articles of incorporation or of these by-laws, notice is required to be given to any Director, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, addressed to such Director at his address as it appears on the records of the corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Notice to Directors may also be given by telegram or telephone.

Section 1. A volunteer Director of the corporation shall not be personally liable to the corporation or members for monetary damages for breach of the volunteer Director's fiduciary duty arising under the Michigan Nonprofit Corporation Act, the Michigan Uniform Management of Institutional Funds Act or other applicable laws, except for liability:

(a) For any breach of the volunteer Director's duty of loyalty to the Corporation or its members;

(b) For acts of omissions not in good faith or that involve intentional misconduct or knowing violation of law;

(c) For a violation of Section 551 (1) of the Michigan Non-profit Corporation Act;

(d) For any transaction from which the volunteer Director derived an improper personal benefit.

(e) For any acts or omissions occurring before the date this Article VIII is filed by the Michigan Department of Commerce.

(f) For any acts or omissions that are grossly negligent.

Section 2. If the Michigan Non-profit Corporation Act is hereafter amended to authorize the further elimination or limitation of the liability of Directors of nonprofit corporation, then the liability of a Director of the corporation (in addition to the

limitation, elimination and assumption of personal liability contained in this Article) shall be assumption of personal liability contained in the Article) shall be assumed by the corporation or eliminated or limited to the fullest permitted by the Michigan Nonprofit Corporation Act as amended.

Section 3. No amendment or repeal of this Article shall apply to or have any effect on the liability or alleged liability of any Director of the corporation for or with respect to any acts or omissions of such Director occurring prior to the effective date of any such amendment or repeal.

Section 4. This 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 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. At least 30 days before the annual Meeting the President shall appoint a Nominating Committee of three persons, one of whom shall be a Director, other than President or Vice-President, and two of whom shall be members who are not presently Directors or Officers. Said committee will prepare a slate of Officers and Directors to be presented to members for their vote at the Annual Meeting. In addition, nominations for Officers and Directors may be made from the floor at the said Annual Meeting. The President shall preside at such meeting and shall provide for the report of the Nominating Committee and for nominations from the floor.

### **THE PRESIDENT**

Section 5. 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.

### **THE VICE-PRESIDENT**

Section 6. 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 Committee, and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

### **THE SECRETARY AND ASSISTANT SECRETARIES**

Section 7. 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 in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He 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 he shall be.

## **THE TREASURER AND ASSISTANT TREASURER**

- Section 8. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in 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.
- Section 9. He 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 his transactions as Treasurer and of the financial condition of the corporation.
- Section 10. If required by the Board of Directors he 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 death, resignation, retirement or removal from office, all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the corporation shall be turned over to the Board of Directors.

## **ARTICLE IX 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 By-laws 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 By-laws 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 suspendible 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 By-laws, as a means of initially perpetuating the regulations of the original, unincorporated Association, do hereby adopt by reference the rules, regulations, recommendations and directions as set forth in the existing Membership Directory, Architectural Control, Rental Position and Snowmobile-Bike Regulations as presented therein are the duty of the Board of Directors to enforce and to alter or expand as conditions require.

Section 10.

- 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 which 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. Going against the By-laws by 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 the five Board Members, who shall constitute the Determination Committee, and the Corporation's attorney, 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. The attorney for the corporation shall not be entitled to vote, but shall be present at the hearing for the purpose of assisting the parties in having the meeting run properly.
- f. If a members 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.

Section 11. No "For Sale" sign will be placed or maintained on any property i.e., chalet or lot of any property owner's property in any way, shape or form.

Section 12. Broken Water Line. In the event that a water line pipe breaks (or for some other reason leaks) and should the pipe breakage (or leakage) be located along the pipe which connects a member's residence to the main supply line, then the following procedure shall be followed:

- a. The member, if the member is the first person to discover such leak or breakage, shall immediately notify the corporation surveillance person. If the corporation is the first to learn of the water leak, then the corporation shall notify the member as soon as it has become aware of the problem. Phone calls are permissible for either of these communications.
- b. If the corporation is unable to contact the member, or if the member is unwilling or unable to take immediate action to have the leak repaired, then the corporation is authorized to hire a contractor to dig the ground, to inspect the damage and to make any necessary repairs. This work will be done at the member's sole expense. Otherwise, the corporation shall locate three licensed contractors able to properly repair the broken pipe, leak, and any other damage. The names and addresses of each contractor shall be communicated to the member (in

writing or by phone). Within five (5) days thereafter, the member shall elect which one of the three contractors will perform the work and will then hire such contractor to immediately complete the work. All of the work shall be at the member's sole expense.

- c. If the member does not hire one of the three contractors within such five (5) day time period, or if he does and the contractor fails to promptly complete the work (as decided by the corporation) then the corporation may proceed to have the work done and all charges for the work will be billed to the member and shall be the member's sole expense. If the corporation is required to pay for the contractor's work, then the corporation will bill the member and such bill must be paid within 30 days. If the bill is not paid within 30 days, then the corporation is authorized to invoke one or more of the penalties described in Sections 7 and 10 of Article XI of these By-laws.