

BY-LAWS OF
HIDDEN LAKE ESTATES ASSOCIATION

Section 1.01. Name. The name of this Michigan non profit corporation is the Hidden Lake Estates Association.

Section 1.02 Location. The principal office of this corporation shall be initially located at 6274 - 28th Street, S.E., Grand Rapids, Michigan, but meetings of members and directors may be held at such places within the Ottawa or Kent Counties, as may be designated by the board of directors.

Section 1.03. Purposes. This corporation is organized to construct, manage, and maintain Association Property, to enforce covenants in the Declaration of Restrictions, and to advance the collective common interests of the residents of the Subdivision. The association shall also succeed to the rights and powers of Developer as provided in the Declaration of Restrictions. This corporation shall not be organized nor operated for profit, nor shall it participate or intervene, directly or indirectly, in any political campaign on behalf of or in opposition to any candidate for public office.

ARTICLE II
DEFINITIONS

Unless the context denotes otherwise the following terms are defined as follows:

Section 2.01. The term "Articles of Incorporation" shall mean and refer to the Articles of Incorporation of Hidden Lake Estates Association, a Michigan non-profit corporation, filed August 26, 1991 with the Michigan Secretary of State, including any amendments or alterations thereto.

Section 2.02. The term "Association" shall mean and refer to the Hidden Lake Estates Association, a Michigan non-profit corporation, its successors and assigns.

Section 2.03. The term "Association Documents" shall mean and refer to the Declaration of Restrictions, the Articles of Incorporation, and these By-laws, together with all amendments and alterations to such documents.

Section 2.04. The term "Association Property" shall mean and refer to all real and personal property owned by the Association for the common use and enjoyment of the members of the Association. "Association Property" does not include property owned privately by members of the Association.

Section 2.05. The term "assessment" , when not immediately preceded by the adjective "special" shall mean and refer to special assessments levied by the Association.

Section 2.06. The term "Declaration of Restrictions" shall mean and refer to the Declaration of Restrictions applicable to the Subdivision recorded in the office of the Register of Deeds, Ottawa County, State of Michigan on September 4, 1991 in Liber 1506, Page 660 - 675, as amended.

Section 2.07. The term "Developer" shall mean William D. Shurlow and any person or entity specifically identified as the successor Developer by him in writing

Section 2.08. The term "dues" when not immediately preceded by the adjective "annual" , shall mean and refer to annual dues levied by the Association.

Section 2.09. The term "lot" shall mean and refer to any of the lots shown upon the recorded plats) of the Subdivision. It does not refer to publicly dedicated lands or private parks which are part of the Subdivision. All lots in the Subdivision are restricted to residential purposes by the Declaration of Restrictions.

Section 2.10. The term "member" shall mean and refer to each person or entity who holds a membership in the Association.

Section 2.11. The term "owner" shall any person or entity who is the owner of the fee simple title to any lot which is a part of the Subdivision. If a lot is sold pursuant to a land contract, the land contract vendee and not the land contract vendor shall be the owner of that lot for purposes of these By-laws while the land contract is executory, unless a document signed by both the land contract vendor and vendee expressly provides otherwise; provided, however, that a land contract vendor shall always have joint and several responsibility with the land contract vendee for any Association dues or assessments. Whenever reference is made in these By-laws to the owner of a lot such reference shall be deemed to include all owners of that lot collectively, if there shall be more than one owner.

Section 2.12. The term "Subdivision" shall mean and refer to that certain real property described in the plat of Hidden Lake Estates recorded July 22, 1991 in Liber 29, Pages 66&67 of Plats, Ottawa County Records, and such additions thereto as may hereafter be brought within the jurisdiction of the Association by the Developer as provided in the Declaration of Restrictions.

ARTICLE III MEMBERSHIP

Section 3.01. Membership. The Association has one class of members, each owner being one member of the Association. Every owner of a lot by the acceptance of a deed or the execution of a contract for a deed will thereby automatically become a member of the Association, except as provided in Section 2. 11 . Membership may be evidenced by an executed deed in recordable form, or in the case of a land contract vendee, by an executed land contract in recordable form or executed land contract together with a memorandum of land contract in recordable form. Membership does not include persons or entities who hold an interest in a lot merely as security for the performance of an obligation. Repossession for any reason of a lot sold under a land contract (including pursuant to foreclosure or forfeiture) shall terminate the vendee's membership, whereupon all rights to membership shall retest in the vendor. Membership shall be appurtenant to and may not be separated from ownership of any lot. Membership in the Association shall be available without regard to sex, race, color, age, marital status, creed, or national origin of an owner.

Section 3.02. Voting. There shall always be a maximum of one vote for each lot. The owner of each lot shall have one vote; co-owners of a lot shall collectively have one vote; the owner of each portion of a subdivided lot will have a fractional vote based on the square feet of the lot included in each portion. A co-owner of a lot may vote on behalf of other co-owners of the same lot unless such other co-owners advise the Association otherwise in writing or seek to vote in person or by proxy.

Section 3.03. Suspension of Membership. During any period in which a member shall be in default in the payment of any annual dues or special assessment levied by the Association, or in violation of any provision in the Association Documents, the board of directors may suspend such member's membership rights, including the member's voting rights, upon seven (7) days written notice to such member. The board shall suspend membership rights for whatever period of time the board determines is proper under the circumstances, provided however, that the board must reinstate membership rights suspended under this Section within thirty (30) days after such member has cured such defaults or violations and made full payment of all amounts owed the Association.

ARTICLE IV PROPERTY RIGHTS: RIGHTS OF ENJOYMENT

Section 4.01. Each member shall be entitled to the use and enjoyment of Association Property as provided in the Association Documents. Any member may delegate his rights of enjoyment of Association Property to the members of his family, his guests and invitees, or to his tenants who reside on his lot. The Association may require the member to notify the Secretary in writing of the name of any deleted. The rights and privileges of the deleted are subject to suspension to the same extent as those of the member.

ARTICLE V MEETINGS OF MEMBERS

Section 5.01. Annual Meetings. The first annual meeting of the members shall be held on a date, time and at a place determined by the board of directors. Each subsequent annual meeting of the members shall be held on the same day of each year thereafter, at the hour of 7 o'clock p.m., unless another day and time are specified by the board of directors. If by operation of this paragraph, a day is automatically set for the annual meeting of members which is also a legal holiday or Sunday, the meeting will not be held on that date but rather at the same hour on the first day following which is not a legal holiday or Sunday.

At the annual meeting of the members, the order of business shall be as follows:

- (i) Meeting shall be called to order.
- (ii) Proof of notice of the meeting shall be read.
- (iii) Minutes of the last previous annual meeting shall be read.
- (iv) Reports of officers, including annual reports, should be submitted.

- (v) Reports of committees, if any, shall be submitted.
- (vi) Director or directors to be elected that year shall be elected.
- (vii) Other business, if any, shall be presented to the meeting.

Section 5.02. Special Meetings. Special meetings of the members may be called at any time by the President or by the board of directors, or upon written request of the members who are entitled to vote one-fourth of all of the votes of the entire membership.

Section 5.03. Action of Members Without a Meeting. Any action required or permitted to be taken at an annual or special meeting of members may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, is signed by members having not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting in which all members entitled to vote thereon were present and voted, provided however, that prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to members who have not consented in writing.

Section 5.04. Fixing of Record Date. For the purpose of determining members entitled to notice of or to vote at any meeting of members or any adjournment thereof, or in order to make a determination of members for any other lawful purpose, including a resolution under Section 5.03 of these By-laws, the board of directors of the Association may fix, in advance, a date as the record date for any such determination of members. When a determination of members entitled to vote at any meeting of members has been made as prodded in this Section, such determination shall be applied to any adjournment thereof, unless the board of directors fixes a new record date under this Section for the adjourned meeting.

Section 5.05. Notice of Meetings. Written notice of meeting of the members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by either delivering or mailing a copy of the notice, postage prepaid, not less than ten (10) days, nor more than sixty (60) days in advance of the meeting to each member entitled to vote at the meeting, addressed to the member's address last appearing on the books of the Association, or supplied by the member to the Association for the purpose of notice. The notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting. Notice alternatively may be given by being prominently displayed in a newspaper or other periodical regularly published at least semi-annually by or on behalf of the Association, and delivered or mailed as above stated.

Section 5.06. Attendance at a Meeting. Attendance of a member at a meeting, either in person or by proxy, constitutes a waiver of notice of the meeting, except when the member attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is unlawfully called or convened.

Section 5.07. Quorum. The presence at a meeting of members and proxies entitled to cast 35% of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Association Documents. If, however, a quorum shall not be present or represented at any meeting, the members entitled to vote at the meeting shall have power to

adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5.08. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing, in a form acceptable to the Secretary, and shall be filed with the Secretary. Every proxy shall be revocable unless expressly provided otherwise and shall automatically cease upon conveyance by the member of his or her lot.

ARTICLE VI
BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 6.01. Number And Term. The business, property and affairs of the Association shall be managed by a board of directors composed of not less than two (2) and no more than seven (7) directors, who must either be appointed by the Developer or be members of the Association. The first board of directors shall consist of the two directors named in the Articles of Incorporation; thereafter, any change in the number of directors shall be determined by resolution of the board of directors. The Developer shall have the right to appoint a majority of the directors to the board until the Developer has sold 100 lots in the Subdivision. Every director, except members of the first board, shall hold office for the term of three (3) years and until his or her successor is elected or appointed and qualifying, or until his or her resignation or removal. The directors of the first board appointed in the Articles of Incorporation shall serve until the conclusion of the first annual meeting of the members and until their successors are elected or appointed and qualifying, or until their resignation or removal.

6.02 Nomination. Nomination for election to the board of directors shall be made by a nominating committee. Nominations may also be made from the floor at the annual meeting of members by any member. The nominating committee shall consist of a chairman, who shall be a member of the board of directors, and two or more members of the Association. The nominating committee shall be appointed by the board of directors at least one (1) month prior to each annual meeting of the members and shall serve until the close of such annual meeting. The nominating committee shall make as many nominations for election to the board of directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 6.03. Election. Election to the board of directors shall be by secret written ballot unless the number of candidates nominated is the same as the number of vacancies to be filled. At the election, the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Association Documents. The number of nominees corresponding with the number of directors to be elected who receive the highest number of votes shall be declared elected. Cumulative voting is not permitted. No ballot shall be counted upon which a greater or lesser number of candidates are voted for than there are vacancies to be filled. In case there is a tie in the number of votes cast, leaving undetermined the election of one or more persons or directors, the determination of who shall be elected shall be by lot. The board shall appoint a committee consisting of at least one (1) individual who is not a member of the board of directors or candidate for election, to have supervision of the election until the result has been ascertained.

Section 6.04. Removal. Any director may be removed from the board, with or without cause, by a majority vote of the members of the Association except that directors appointed to the board by the Developer may only be removed by the Developer. In the event of the removal of a director, his or her successor shall be selected by a majority vote of the members of the Association to serve for the duration of the term of the director replaced, provided, however, that if no successor is elected by members within thirty (30) days after a vacancy on the board is created by the removal of a director, the board may fill the vacancy by the affirmative vote of a majority of the remaining directors though less than a quorum of the board. The term of office of a directorship filled by the board may only continue until the next election of directors by members.

Section 6.05. Compensation. No director shall receive compensation for any service he may render to the Association in his or her capacity as a director. Any director, however, may be reimbursed for his actual expenses incurred in the performance of his duties as a director.

Section 6.06. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

Section 6.07. Vacancies. Any vacancy occurring in the board of directors for any cause other than by reason of an increase in the number of directors may be filled by a majority of the remaining members of the board of directors, even though such majority is less than a quorum. Any vacancy occurring by reason of an increase in the number of directors may be filled by a vote of the members at an annual or special meeting.

ARTICLE VII MEETINGS OF DIRECTORS

Section 7.01. Annual Meetings. The annual meeting of the board of directors, of which no notice shall be necessary, shall be held immediately following the annual meeting of the members or immediately following any adjournment thereof, for the purpose of the organization of the board of directors and the election or appointment of officers for the ensuing year and for the transaction of such other business as may conveniently and properly be brought before such meeting.

Section 7.02 Regular Meetings. Regular meetings of the board of directors may be held at a place and hour as may be fixed from time to time by resolution of the board.

Section 7.03. Special Meetings. Special meetings of the board of directors shall be held when called by the President of the Association, or by any two directors.

Section 7.04. Quorum. A majority of the number of directors shall constitute a for the transaction of business for any meeting of the board of directors. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the board.

ARTICLE VIII
POWER AND DUTIES OF THE BOARD OF DIRECTORS

Section 8.01. Powers and Duties. The board of directors shall have the powers and duties stated in the Declaration of Restrictions.

ARTICLE IX
COMMITTEES

Section 9.01. Appointment. The board of directors may appoint from time to time whatever committees it deems appropriate in carrying out its purposes as stated in the Declaration of Restrictions.

Section 9.02. Complaints. It shall be the duty of each committee established by the board to receive complaints from members on any matter involving Association functions, duties, and activities within its field of responsibility. It shall dispose of the complaints as it deems appropriate or refer them to any other committee, director, or officer of the Association as is further concerned with the matter presented.

ARTICLE X
OFFICERS AND THEIR DUTIES

Section 10.01. Enumeration of Officers. The officers of this Association shall be a President and Vice-president, who shall at all times be members of the board of directors, a Secretary, and a Treasurer, and other officers as the board of directors may from time to time by resolution create.

Section 10.02. Election of Officers. The election of officers shall take place at the first meeting of the board of directors following each annual meeting of the members, however, the first board of directors shall elect officers at their first meeting.

Section 10.03. Term. Each officer of this Association shall be elected annually by the board and each shall hold office for one (1) year and until his successor is appointed, unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 10.04. Special Appointments. The board may elect other officers as the affairs of the Association may require, each of whom shall hold the office for a period, have the authority, and perform any duties as the board may, from time to time, determine.

Section 10.05. Resignation and Removal. Any officer may be removed from office with or without cause by the board. Any officer may resign at any time by giving written notice to the board, the President, or the Secretary. The resignation shall take effect on the date of receipt of the notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 10.06. Vacancies. A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected to the vacancy shall serve for the remainder of the term of the officer he replaces.

Section 10.07. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of the other offices except in the case of special offices created pursuant to Section 10.04 of these By-laws.

Section 10.08. Duties. The duties of the officers are as follows:

A. President. The president shall preside at all meetings of members and of the board of directors. He shall have general charge and supervision over the affairs of the Association and see that orders and resolutions of the board are carried out.

B. Vice-president. The Vice-president shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and exercise and discharge any other duties as may be required of him by the board.

C. Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the board and of the members; keep any corporate seal of the Association and affix it on all papers requiring the seal; serve notice of meetings on the board and of the members; be custodian of the records of the Association; keep appropriate current records showing the members of the Association together with their addresses, and perform any other duties as required by the board.

D. Treasurer The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and disburse funds as directed by resolution of the board of directors; sign all checks and promissory notes of the Association; keep proper book of account; and prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular meeting, and deliver a copy of each to the members.

ARTICLE XI ANNUAL DUES

Section 11.01. Purpose of Annual Dues. By the Declaration of Restrictions, each member who acquires title to a lot after the recording of the Declaration of Restrictions is deemed to covenant and agree to pay the annual dues levied by the Association for its operations during each annual dues period as provided in Section 12. 1 of the Declaration of Restrictions. Annual dues levied by the Association shall be used exclusively for the purposes identified in Section 1.03 of these By-laws. These uses of funds include, without limitation, the payment of any taxes and assessments levied on lands owned by the Association, maintenance and improvement costs associated with Association Property, premiums for insurance maintained by the Association and administrative expenses of the Association. Since the Developer acquired title to the Developer's lots prior to recording the Declaration of Restrictions, the Developer is not deemed to have agreed to pay annual dues or assessments and has not otherwise made such an agreement. It is nonetheless anticipated that the Developer will not only assist the Association by paying its start-up expenses but will fund deficits that may occur in the Association's first budgets approved by the Developer and the Association will establish the amount of annual dues in reliance on this expectation.

Section 11.02. Basis and Maximum of Annual Assessments. The board of directors shall annually fix the amount of the annual dues and its due date or dates; provided, however, that each lot shall be assessed at the same amount as other lots. The board, in its

discretion, may make annual dues payable on a monthly, quarterly, semi-annual or annual basis.

ARTICLE XII SPECIAL ASSESSMENTS

Section 12.01. Purpose And Rate. In addition to the annual dues authorized above, the Declaration of Restrictions authorizes the Association to levy in any calendar year special assessments applicable to that year only. Special assessments shall be fixed at the same amount for all lots. Special assessments shall be effective only with the affirmative vote of not less than 66-2/3% of the members.

ARTICLE XIII COLLECTION OF DUES AND ASSESSMENTS

Section 13.01. Effect of Nonpayment of Dues and Assessments. Both annual dues and special assessments shall become delinquent if not paid on or before the date when due. Once delinquent, the dues or assessment shall accrue interest thereon from the date of delinquency at the rate of seven percent (7%) per annum or a higher rate if permitted by law (not to exceed 25% per annum). The delinquent annual dues and special assessments, together with late charges, fines and/or interest thereon and the costs of collection thereof (which shall be considered a part of the unpaid dues or assessment) shall be a charge and a continuing lien upon each lot against which such assessment is made as provided in the Declaration of Restrictions. Each delinquent dues or assessment, together with interest, fines, cost, and reasonable attorney's fees shall also be the personal obligation of the person who was the owner of such lot at the time when the dues or assessment became due and also the personal obligation of any successor in title to such owner as provided in Section 13.02 of these By-laws. No owner may exempt himself from personal liability for dues or assessments or exempt his land from the lien provided herein by waiver of the use or enjoyment of any of the Association Property or otherwise.

Section 13.02. Conveyance of Lot. Upon the sale or conveyance of a lot, all unpaid dues and assessments against the lot shall be paid out of the sale price by the purchaser in preference over any other assessment or charge. A purchaser or grantee shall be entitled to a written statement from the Association setting forth the amount of unpaid Association dues and assessments against the seller or grantor, and such purchaser or grantee shall not be liable for, nor shall the lot conveyed or granted be subject to a lien for any unpaid dues and assessments against the seller or grantor in excess of the amount set forth in such written statement. Unless the purchaser or grantee requests a written statement from the Association at least five (5) days before the sale and pays the amount of the statement from the purchase price, the purchaser or grantee shall be personally liable for any unpaid dues and assessments against the lot together with interest, costs, and attorneys fees incurred in the collection thereof.

Section 13.03. Lien. In the event of default in payment of any of the Association dues or assessments, the Association, or its successors and assigns, may file a notice of claim of lien in the office of the Register of Deeds, Ottawa County, Michigan, for the amount of the unpaid annual dues or special assessments and foreclose such lien as provided in Section 12.3 of the Declaration of Restrictions.

Section 13.04. Property. The following property subject to the Declaration of Restrictions shall be exempt from the annual dues and special assessments and liens created herein: (1) all real and personal property owned by the Association for the common use and enjoyment of the members of the Association; (2) all real property dedicated to the public's use and accepted by the relevant public authority for such uses.

ARTICLE XIV
MISCELLANEOUS

Section 14.01. Books and Records. The books, records and papers of the Association and the Association Documents shall be subject to inspection by any member during reasonable business hours, and copies may be purchased at reasonable cost.

Section 14.02. Residential Real Estate Association. This Association is intended to qualify as a residential real estate management association, as that term is deemed in Section 528 of the Internal Revenue Code of 1986. Under this provision, the Association receives certain tax benefits if substantially all of the lots or buildings (including unimproved lots) will be used for residential purposes. A unit or building is not considered used for residential purposes, if for over half of the days in the Association's tax year, such unit or building is occupied by a person or series of persons, each of whom occupies the unit or building for less than thirty (30) days. A member shall notify the Association in writing within thirty (30) days after the end of the Association's fiscal year if his lot or the buildings on his lot are, for over half of the days in the Association's tax year, occupied by a person or series of persons, each of whom occupy the lot or building for less than thirty (30) days.

Section 14.03. Corporate Seal. The board of directors may adopt a corporate seal.

Section 14.04 Amendments. The By-laws may be amended by the Board of Directors or by the affirmative vote of two-thirds of the entire membership of the Association, provided the Developer must consent to any amendment made so long as the Developer owns any lot.


Section 14.05. Interpretation. In the case of any conflict between the Articles of Incorporation and these By-laws, the Articles of Incorporation shall control; and in the case of any conflict between the Declaration of Restrictions and these By-laws, the Declaration of Restrictions shall control.

Section 14.06. Fiscal Year. The fiscal year of the Association shall be a calendar year, except that the first fiscal year shall begin on the date of incorporation and end on the last day of December.

CERTIFICATION

I certify that these By-laws, consisting of this and the preceding 10 pages, were duly adopted by resolution of the Incorporator on September 23, 1991.

IN WITNESS WHEREOF, I have hereunto set my hand this 23rd day of September, 1991 .



William D. Shurlow

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