

BY-LAWS
OF
BINDER PARK HILLS NO. 2 HOMEOWNERS ASSOCIATION, INC.
A Michigan nonprofit corporation

ARTICLE I

MEMBERS

Section 1. Number and Qualifications. Any person owning one or more Lots in the Plat known as Binder Park Hills No. 2 located in Newton Township, Calhoun County, Michigan automatically becomes a Member of the Corporation. A husband and wife or any other parties owning any Lot or Lots in the above identified Plat jointly or in common with another party hold membership in this Corporation jointly as husband and wife or as joint or common Members. Each Member owning a Lot on which a completed single family residence constructed pursuant to the restrictive covenants of the Plat in which the Lot is located and for which membership dues are fully paid is entitled to two votes for each Lot on which such a residence is located at all meetings of the Members of the Corporation. Each Member owning a Lot on which there is not a completed single family residence constructed pursuant to the restrictive covenants of the Plat in which the Lot is located and for which membership dues are fully paid is entitled to one vote for each such undeveloped Lot at all meetings of the Members of the Corporation. Fractional votes are not permitted. In particular, if the building site on which a single family residence is located consists of a Lot and a fractional Lot, the owner of such home and building site is entitled to two votes. The owner of the adjoining partial Lot is entitled to two votes or one vote, depending on whether a house is located on the adjoining land. Provided, however, if there is not single family residence on the adjoining land and the owner of the adjoining land does not own sufficient contiguous land to permit construction of a single family residence on such adjacent land, the owner of the adjacent land is not eligible for membership in the Corporation.

Section 2. Annual Membership Dues. Subject to the limitations of any restrictive covenants applicable to the Plat of Binder Park Hills No. 2, each Member of the Corporation will pay yearly dues in such amount as set by the Board of Directors from time to time. Such dues become payable on January first of each year and are payable without penalty anytime before April first of that year. After April first, a late charge will be assessed in an amount equal to 25% of the annual dues for the year in question. If any Member fails to pay the annual dues and any applicable late charges by May first of the calendar year in which they first become due and payable, the rights, privileges, and membership of such Member automatically terminate. Provided, however, such Member may reinstate the membership at any time by paying an amount equal to twice the accrued unpaid dues.

Section 3. Annual Meetings of Members. The annual meeting of the Members shall be held in the month of November of each year on such date as is fixed by notice and at such place within *

Calhoun County, Michigan as the Board of Directors or the President may designate, to elect the Directors and officers and to transact such other business as may come before it. A delayed annual meeting may be called and held as a special meeting, except that the length of notice required shall be the same as that for a regular annual meeting.

Section 4. Special Meetings of Members. A special meeting of the Members may be held at any place within Calhoun County, Michigan designated by the notice thereof upon the call of the President or a majority of the Board of Directors.

Section 5. Notice of Annual Meeting of Members. At least 30 days written notice of each annual meeting of the Members, stating the place, time, and date of the meeting, and signed by an officer of the Corporation, shall be given to each Member by mailing the same, postage prepaid, addressed to him at his address as the same appears on the books of the Corporation.

Section 6. Notice of Special Meetings of Members. At least twenty-four (24) hours' notice of the date, time, place, and purposes of each special meeting of the Members shall be given to each Member by telephone or by postpaid mail addressed to him at his address as it appears on the books of the Corporation.

Section 7. Waiver of Notice. Notice of the time, place and purposes of any annual or special meeting of the Members may be waived by attendance at the meeting or by telegram, radiogram, cablegram, or other writing, either before or after the meeting has been held.

Section 8. Quorum and Voting. For any annual or special meeting of the Members, the presence in person or by proper written proxy of those Members having a majority of the votes then assigned to the Members constitutes a quorum. For purposes of determining whether a quorum is present, the presence of either husband or wife, or one of the joint in common owners of a Lot constitutes the presence of the Member owning such Lot, unless the Corporation's President or Secretary has received written notice from the other spouse or one or more of other joint or common owners stating otherwise. When a quorum is present at any meeting of Members, and unless otherwise provided by law, the Articles of Incorporation or the By-Laws, a majority of those present may decide any questions brought before the meeting.

ARTICLE II

BOARD OF DIRECTORS

Section 1. Number, Qualifications and Terms of Office. The affairs of the Corporation will be managed by the Board of Directors. Each Director of the Corporation must be an adult person and must be a Member of the Corporation in good standing. Each officer of the Corporation will automatically be elected as a Director upon election as an officer. Such Director's term will automatically end at such time as the Director ceases to be an officer of the Corporation. In addition, the Members may elect such other individuals as Directors as the members deem appropriate. The

Board of Directors will consist from time to time of that number of individuals serving as officers of the Corporation and those individuals, if any, elected as Directors who are not also officers. Each Director's term will continue for one year unless reelected as a Director or an officer.

Section 2. Vacancies. Vacancies in the Board of Directors may be filled by the remaining Directors. A person appointed to fill a vacancy in the Board existing for any reason, will hold office for the unexpired term of the Director whose place he or she has taken.

Section 3. Removal of Director. A Director may be removed for cause deemed sufficient, after notice and hearing, personally or with counsel, by an affirmative vote of 2/3rds of the Members attending a meeting of the Members at which a quorum is present.

Section 4. Annual Meeting of Directors. The Board of Directors will conduct an annual meeting for the transaction of such business as the Board deems appropriate, immediately after the adjournment of the annual meeting of the Members.

Section 5. Special Meetings of Directors. Special meetings of the Board of Directors may be held at the call of the President, the Vice President, or any two (2) Members of the Board.

Section 6. Notice of Special Meetings. At least twenty-four (24) hours' notice of the time and place and purposes of each special meeting of the Board of Directors shall be given by the Secretary of the Corporation, or the designated agent, to each Director by mail, telephone, telegram, or facsimile to his usual business or residence address.

Section 7. Waiver of Notice. Notice of the time, place and purposes of any special meeting of the Board of Directors may be waived by attendance at the meeting or by telegram, radiogram, cablegram, or other writing, either before or after the meeting has been held.

Section 8. Quorum and Voting. A majority of the Directors constitutes a quorum on the Board of Directors. Less than a quorum shall have power of adjournment. Unless otherwise provided by law, the Articles of Incorporation or the By-Laws, the votes of a majority of the whole Board may decide any question brought before any meeting of the Directors.

Section 9. Compensation. The Members of the Board of Directors may be reimbursed for their necessary expenses incurred in connection with work done for the Corporation if the Board of Directors specifically authorizes such reimbursement.

Section 10. Powers. The Board of Directors shall have all usual and customary powers and authority held by such boards or granted by law in connection with the operation and management of corporations, including the power to take any action, including legal action if necessary, to collect any unpaid membership dues or assessments and to suspend the voting rights of any Member who has not paid any membership dues or assessments in full when due.

ARTICLE III

OFFICERS

Section 1. Titles. The regular officers of the Corporation shall be a President, Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Members. The Secretary and Treasurer may be the same person. The officers shall have all the usual powers and shall perform all the usual duties incident to their respective offices, and shall, in addition, perform such other duties as shall be assigned to them from time to time by the Board of Directors. The Members may create such other offices as they determine and may elect persons to fill the same and may define their duties.

Section 2. Absence of Officers. In the absence or disability of any officer of the Corporation, the Board of Directors may delegate those powers and duties to any other officer or to any Director, during such absence or disability, and the person so delegated shall, for the time being, be the officer whose powers and duties so assumed.

Section 3. Vacancies. Any vacancy in any office shall be filled for the unexpired term by a majority vote of the Board of Directors at any meeting.

Section 4. Election and Term of Office. The officers of the Corporation shall be elected at the annual meeting of the Members. Each officer so elected shall hold office for a term beginning on the adjournment of such annual meeting and ending on the adjournment of the next succeeding annual meeting of the Members or when his successor is elected, whichever is later.

Section 5. Removal of Officers. Either the Board of Directors or the Members by vote of a majority of the Directors or the Members attending a duly called meeting at which a quorum is present, may remove any officer of the Corporation.

Section 6. Compensation of Officers. All officers shall serve without compensation.

ARTICLE IV

PURPOSE AND AUTHORITY OF CORPORATION

Section 1. Purpose. The purpose of the Association is to maintain and improve any common areas of the Binder Park Hills Development, enforce the restrictions applicable to any of the Binder Park Hills Developments, maintain and improve the recreation, health, safety, and welfare of the residents of the Binder Park Hills Development, collect dues or assessments from Members, and expend any dues or assessments collected and other funds in furtherance of its purposes.

Section 2. Powers. The Members, by a vote of a majority of all Members, have the following powers and authority:

a. Subject to any limitations in the restrictive covenants applicable to the Plat of Binder Park Hills No. 2, after Binder Park Hills, L.L.C. sells all of the lots in the Plat of Binder Park Hills No. 2 and single family residences have been constructed on all such lots suitable for building, to elect individuals to the Architectural Control Committee established pursuant to the restrictive covenants.

b. Subject to any limitations in the restrictive covenants, to amend the restrictive covenants or waive the applicability of any provision of the restrictive covenants as to any Lot or Lots, so long as there is also written approval by the Architectural Control Committee.

ARTICLE V

FISCAL YEAR

The fiscal year of the Corporation shall commence on the first day of January of each year and terminate the following thirty-first of December.

ARTICLE VI

COMMITTEES

The Board of Directors may appoint or authorize the appointment of such committees, and may delegate such powers and duties to them, as the Board considers advisable from time to time. The Board, in its discretion at any time, may terminate the authority of any committee and dissolve the committee.

ARTICLE VII

EXECUTION OF INSTRUMENTS

Section 1. Checks, Drafts, Notes and Orders. All checks, drafts, notes and orders for the payment of money to or by the Corporation shall be signed in the name of the Corporation by such person or persons, whether or not officers of the Corporation, as shall be empowered to do so by the Board of Directors from time to time.

Section 2. Contracts and Conveyances. Except as otherwise provided by motion or resolution of the Board of Directors, all formal contracts and conveyances of the Corporation shall be executed in its name and on its behalf by its President or the Vice President, and attested by its Secretary.

Section 3. Provision by Resolution. Notwithstanding the provisions of these By-Laws as to the manner of executing any instrument for the Corporation, the Board of Directors shall have full authority to provide, by motion or resolution, the manner in which a particular instrument shall be signed or executed for the Corporation.

ARTICLE IX

INDEMNIFICATION

Section 1. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believes to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 2. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation. Except that no indemnification shall be made in respect of any claim, issue or matter as to which such person is adjudged to have acted unlawfully or in deliberate disregard of the Corporation's best interests unless and only to the extent that the court in which such action or suit was brought shall determine upon application, that despite the adjudication or liability but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

Section 3. To the extent that any person referred to in Section 1 and Section 2 has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to therein or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

Section 4. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case.

Section 5. The indemnification provided by this Section shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, bylaw, agreement, vote of Members or disinterested Directors or otherwise, both as to action in his official capacity and

as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 6. The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such.

ARTICLE X

DISSOLUTION

Upon the dissolution of the Corporation, the Board of Directors, after paying or making provision for the payment of all of the liabilities of the Corporation, shall distribute the assets of the Corporation as the Board shall determine exclusively for the purposes of the Corporation in such manner.

ARTICLE XI

DISCLAIMER OF BENEFICIAL INTEREST TO INDIVIDUALS

No beneficial interest in or right to any real or personal property of the Corporation shall ever vest in or belong to any Member, Director, or officer of the Corporation by virtue of his membership or office. All real or personal property acquired by the Corporation shall be deemed to be FOREVER dedicated to the purposes of the Corporation, and in the event this Corporation shall dissolve or be dissolved, all assets at dissolution, which shall not have been disposed of by the Corporation for its stated purposes, shall be disposed of in an appropriate manner and none of the assets of the Corporation at dissolution shall revert to or be distributable to any Member, director, or officer of the Corporation.

ARTICLE XII

AMENDMENT OF BY-LAWS

The By-Laws may be amended at any regular or special meeting of the Board at which 2/3rds of the entire membership of the Board at that time in office are present and voting therefor, provided at least fifteen days' written notice is given to each Director of the time, place, and object of such meeting. The By-Laws may also be amended at any annual or special meeting of the Members by a vote of the majority of the Members present in person or by proxy.

CERTIFICATE

I, _____, the duly appointed, qualified and acting secretary of Binder Park Hills No. 3 Homeowners Association, Inc., hereby certify that the foregoing are the By-Laws of said Corporation, adopted by its members at their meeting held on the _____ day of _____, 1998.

Dated: _____

Secretary

AMENDMENT TO BY-LAWS

Binder Park Hills Homeowners Association, Inc.

A Michigan nonprofit corporation

The By-Laws of Binder Park Hills Homeowners Association, Inc. were duly amended by a vote of a majority of the Members present at a special meeting of the membership held on the ____ day of _____, 1998, as follows:

1. Article II of the By-Laws was amended by adding thereto a new Section X which provides as follows:

Section X. Powers. The Board of Directors shall have all usual and customary powers and authority held by such boards or granted by law in connection with the operation and management of corporations, including the power to take any action, including legal action if necessary, to collect any unpaid membership dues or assessments and to suspend the voting rights of any Member who has not paid any membership dues or assessments in full when due.

2. Article III, Section 4 was amended to stand and read after amendment as follows:

Section 4. Election and Term of Office. The officers of the Corporation shall be elected at the annual meeting of the Members. Each officer so elected shall hold office for a term beginning on the adjournment of such annual meeting and ending on the adjournment of the next succeeding annual meeting of the Members or when his successor is elected, whichever is later.

3. Article IV, Section 2 was amended by deleting therefrom subsection c.

4. A new Article XII was added to the By-Laws providing as follows:

ARTICLE XII

AMENDMENT OF BY-LAWS

The By-Laws may be amended at any regular or special meeting of the Board at which 2/3rds of the entire membership of the Board at that time in office are present and voting therefor, provided at least fifteen days' written notice is given to each Director of the time, place, and object of such meeting. The By-Laws may also be amended at any annual or special meeting of the Members by a vote of the majority of the Members present in person or by proxy.

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**ADDENDUM TO "CERTIFICATE OF AMENDMENT TO THE
ARTICLE OF INCORPORATION"**

Name of Corporation: Binder Park Hills Homeowners Association, Inc.
Identification No.: 747-857

ARTICLE IX

1. To the full extent now or hereafter permitted by law, no volunteer director or volunteer officer of the Corporation shall be personally liable to the Corporation or its members for damages for breach of the directors or officers fiduciary duty.

2. To the full extent now or hereafter permitted by law, the Corporation assumes all liability to any person other than the Corporation or its members for all acts or omissions of a volunteer director or a volunteer officer. Notwithstanding the preceding sentence, the corporation will not be considered to have assumed any liability to the extent that the United States Commissioner of Internal Revenue determines that such assumption is inconsistent with the status of the corporation as an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 (or corresponding provision of any future United States Internal Revenue law).

3. If the Michigan Nonprofit Corporation Act is amended on or after the date that this Article is filed by the Michigan Department of Commerce to authorize the further elimination or limitation of the liability of directors or officers of nonprofit corporations, then the liability of a director or officer of the corporation (in addition to the limitation, elimination, and assumption of personal liability contained in this Article), to any person other than the corporation, its shareholders, and its members, if any, will be assumed by the corporation or eliminated or limited to the fullest extent permitted by the Michigan Nonprofit Corporation Act as so amended, except to the extent such limitation, elimination, or assumption of liability is determined by the United States Commissioner of Internal Revenue to be inconsistent with the status of the corporation as an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 (or corresponding provision of any future United States Internal Revenue law). No amendment or repeal of this Article will apply to or have any effect on the liability or alleged liability of any director or officer of the corporation for or with respect to any acts or omissions of such director or officer occurring prior to the effective date of any such amendment or repeal.

ARTICLE X

1. To the full extent now or hereafter permitted by law, the corporation assumes all liability, to any person other than the corporation, its shareholders, and its members, if any, for all acts or omissions of a volunteer director, volunteer officer, or other volunteer occurring on or after the date this Article is filed by the Michigan Department of Commerce, if all of the following are met: (i) the volunteer was acting or reasonably believed he or she was acting within the scope of his or her authority; (ii) the volunteer was acting in good faith; (iii) the volunteer's conduct did not amount to gross negligence or willful and wanton misconduct; (iv) the volunteer's conduct was not an intentional

tort; and (v) the volunteer's conduct was not a tort arising out of the ownership, maintenance, or use of a motor vehicle for which tort liability may be imposed as provided in section 3135 of the insurance code of 1956, Act No. 218 of the Public Acts of 1956, being section 500.3135 of the Michigan Compiled Laws. Notwithstanding the preceding sentence, the corporation will not be considered to have assumed any liability to the extent that the United States Commissioner of Internal Revenue determines that such assumption is inconsistent with the status of the corporation as an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 (or corresponding provision of any future United States Internal Revenue law).

2. If the Michigan Nonprofit Corporation Act is amended on or after the date this Article is filed by the Michigan Department of Commerce to authorize the further elimination or limitation of the liability of volunteer directors, volunteer officers, or other volunteers of nonprofit corporations, then the liability of a volunteer of the corporation (in addition to the limitation, elimination, and assumption of personal liability contained in this Article), to any person other than the corporation, its shareholders, and its members, if any, will be assumed by the corporation or eliminated or limited to the fullest extent permitted by the Michigan Nonprofit Corporation Act as so amended, except to the extent such limitation, elimination, or assumption of liability is determined by the United States Commissioner of Internal Revenue to be inconsistent with the status of the corporation as an organization described in section 501 (c)(3) of the Internal Revenue Code of 1986 (or corresponding provision of any future United States Internal Revenue law). No amendment or repeal of this Article will apply to or have any effect on the liability or alleged liability of any volunteer of the corporation for or with respect to any acts or omissions of such volunteer occurring prior to the effective date of any such amendment or repeal.