

BYLAWS

OF

HERITAGE HILL ASSOCIATION, INC.

ARTICLE I

NAME AND PURPOSE

Section 1. Name. The name of this nonprofit corporation shall be Heritage Hill Association, Inc.

Section 2. Purpose. The Heritage Hill Association (sometimes referred to herein as the "Corporation" or the "Association") is concerned with all aspects of the neighborhood as they relate to the residents of the area. The Association may do any and all lawful acts in furtherance of the following purposes:

- A. To promote communication, cooperation, and friendship among the residents;
- B. To help maintain and improve neighborhood property and the physical appearance of our community;
- C. To provide neighbors a way of collectively building a healthy, historically preserved community in which people can live and work in a secure and stable environment;
- D. To identify neighborhood problems and social needs; to develop and implement solutions;
- E. To initiate neighborhood programs to improve the quality of life;
- F. To develop a spirit of pride and individual obligation to the neighborhood;
- G. To promote and develop a successful multi-racial, and multi-ethnic neighborhood.

The basic purpose of the Corporation will be carried out primarily in that area of the city of Grand Rapids, Michigan, defined as the Heritage Hill Historic District as delineated in Chapter 68 Section 5.411 of the Grand Rapids City Code and, the Heritage Hill Target Area as provided in the City of Grand Rapids Neighborhood Services Street Directory (collectively, "Heritage Hill").

ARTICLE II

MEMBERSHIP

Section 3. Class of Membership. There shall be one class of membership which automatically shall vest in any adult individual (age 18 or older) who establishes permanent residence within the recognized boundaries of Heritage Hill and which shall continue for so long as that individual maintains permanent residence within Heritage Hill. Non-residents

(including owners of rental property within Heritage Hill), businesses, and other entities also may become members upon making an annual contribution to the Association. For purposes of this Section, an individual is considered to have established "permanent residence" if the individual owns a home which he/she declares to be his/her principal residence within Heritage Hill (evidenced by a deed, mortgage or land-contract), if the individual leases or rents a premises within Heritage Hill (evidenced by a lease or rental agreement) and/or if the individual's valid Michigan driver's license or Michigan State Identification bears a current address within Heritage Hill.

Section 4. Voting Rights of Members. Each member shall have one vote. Businesses and other entities which are members by virtue of contributing to the Association (as provided in Article II, Section 3) also shall each have one vote.

Section 5. Termination of Membership. Membership shall be terminated upon a person's ceasing to be a resident of Heritage Hill; or, in the case of non-resident members, upon the failure to make an annual contribution to the Association.

Section 6. Membership Contributions to the Heritage Hill Association. All non-residents, as well as any businesses or other entities wishing to become members of the Association, shall be required to make an annual contribution to the Association in such amounts as the Board of Directors shall determine. Resident members shall be encouraged, but shall in no way be required, to make similar contributions annually. All contributions shall become part of the general funds of the Association.

Section 7. Annual Membership Meeting. The annual meeting of the members of the Association shall be held not later than December 30 of each year, and at such place as the Board of Directors shall determine and indicate in the notice of such meeting. Notice of the annual meeting will be announced to all members (as defined in Article II, Section 3) by mailing or other form of delivery at least sixty (60) days prior to the date of the meeting. This meeting shall be for the purpose of receiving and considering reports on the operation of the Association for the previous year, for the purpose of electing Directors, and for such other business as may be brought before the meeting.

Section 8. Special Membership Meetings. Special meetings of the membership may be called by the President, by a majority of the Board of Directors, or by written petition signed by not less than twenty of the members. A written notice stating the date, place, hour and purpose of the special meeting shall be delivered or mailed to all members (as defined in Article II, Section 3) at least 10 days before the special meeting. It shall be the responsibility of the party calling the meeting to provide the Secretary with all information to be contained in the notice in sufficient time to allow the notices to be distributed ten days before the date of the special meeting.

Section 9. Voting. After signing in, each member shall have the right at every membership meeting to one vote. Voting rights must be exercised in person (except for the purpose of electing the Board of Directors as provided in Article III, Section 14). Except as regulated by statute or otherwise specifically provided herein, all questions shall be determined by a majority vote of the members present at a meeting.

Section 10. Quorum. A quorum for the purpose of conducting business at an annual or special meeting shall be 50 members.

ARTICLE III

BOARD OF DIRECTORS

Section 11. Directors. The Board of Directors of the Corporation (the "Board") shall be composed of up to 15 persons, elected by the members. Any active member of the Association shall be eligible for election to the Board of Directors except that no employee or staff member shall be eligible for election to the Board of Directors.

Section 12. Terms. The Directors of the Corporation shall serve three-year terms which shall be staggered so that one-third of the members of the Board are elected at each annual meeting of the Corporation, and so that the terms of one-third of the Board of Directors shall expire each year. The Directors so elected shall take office at the first meeting of the Board of Directors after the annual membership meeting at which they were elected, and shall hold office until the annual membership meeting at which their terms expire and until their successors have been elected and have taken office. No Director shall be elected for more than two consecutive full terms.

Section 13. Duties. The Board of Directors shall manage and transact the business of the Corporation, which shall include creating such standing and special committees as it deems appropriate, presenting a report of the activities of the past year and plans for the coming year at the annual membership meeting, and determining the amount of the annual membership contributions.

Section 14. Election of Directors. Directors of the Corporation shall be elected at the annual membership meeting by a majority vote of the members present at such meeting. Members are strongly encouraged to attend the annual meeting to cast their vote. To the extent a member is not able to be present at the annual meeting, the member may vote by absentee ballot. (See Section 15.) Election of Directors shall be by secret ballot if more than one person is nominated for each vacancy being filled.

Section 15. Absentee Ballots. Numbered absentee ballots will be made available at the Association office ten (10) days prior to the annual membership meeting to voters who cannot attend the annual membership meeting. The absentee ballots will include the names of the candidates nominated by the Nominating and Election Committee (see Article III, Section 24) and the names of all candidates who provided written notice of their candidacy to the Association office at least thirty (30) days prior to the annual membership meeting.

For purposes of anonymity, each absentee ballot shall be provided with two envelopes: an envelope marked "Ballot" for the completed absentee ballot and a properly addressed envelope for returning the ballot to the Association office. This exterior envelope shall contain lines in the return address area for the voter to provide his/her name which must be completed for the ballot to be valid. When an absentee ballot is returned to the Association office, the interior envelope containing the ballot shall be placed in the lock box as set forth below to be counted with the rest of the ballots on the day of the election.

An absentee ballot must be individually and personally requested by the voter either in person at the Association office or by telephoning the Association office requesting that a ballot be mailed, and the voter must individually and personally submit the completed ballot either in person or by mail to the Association office. A lock box shall be maintained by the

Nominating and Election Committee (see Article III, Section 24) at the Association office for voters to submit absentee ballots. The Association office shall maintain a list of names and addresses of persons requesting absentee ballots. A completed absentee ballot must be received in the Association office no later than 5:00 P.M. on the date of the election in order to be counted.

Section 16. Vacancies. Any vacancies occurring in the Board of Directors may be filled for the unexpired portion of that term by a majority vote of the remaining Directors.

Section 17. Annual Board Meeting. The annual meeting of the Board of Directors of the Corporation shall be held at a time and place following the annual meeting of the members to be determined by the Board. This meeting shall be held for the purpose of electing officers and considering such other business as may be brought before the meeting.

Section 18. Other Meetings. Regular meetings of the Board of Directors shall be held during the year, at a time and place to be fixed by the Board. Special meetings of the Board of Directors may be called by the President, or by three members of the Board of Directors. Notice shall be given to each Director at least two (2) days in advance of such meetings, specifying the time, place, and general purpose of the special meeting.

Section 19. Waiver of Notice. Notice of a regular or special meeting may be waived either in writing or by attendance in person at the meeting, or a Director may waive notice by orally communicating his or her inability to attend or his or her waiver to the President or Secretary of the Corporation which shall then be stated in the minutes of said meeting or a subsequent meeting.

Section 20. Quorum. Not less than one-half of the members of the Board of Directors shall be necessary to constitute a quorum thereof, and the act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. Neither quorum nor voting rights may be fulfilled or exercised by proxy.

Section 21. Executive Committee. The Board of Directors is authorized to appoint from its members an Executive Committee, consisting of the officers of the Corporation. The Executive Committee shall have and exercise such authority in the management of the corporation between meetings of the Board as the Board may delegate to it.

Section 22. Standing and Special Committees. Such standing committees shall be created by the Board as may be deemed necessary. The terms of members of standing committees shall be for one year. Special committees may be created by the Board for a specific purpose, and shall automatically go out of existence when the special committee's work is completed and its final report is received. Committee chairpersons shall be nominated by the President and ratified by the Board. The Board shall establish written procedures which shall govern the conduct and operation of standing and special committees.

Section 23. Officers of the Board and Executive Committee. The President and Secretary of the Corporation shall serve as President and Secretary, respectively, of the Board of Directors and of the Executive Committee.

Section 24. Nominating and Election Committee. Preceding the annual membership meeting of the corporation, a Nominating and Election Committee consisting of not less than three nor more than five members shall nominate one or more candidates for each directorship to be filled and shall report its selections to the Association Office at least thirty (30) days

prior to the date of the annual membership meeting, having first obtained the consent of the candidates to their names being placed in nomination. In addition, any member wishing to run for a directorship may announce his or her candidacy by providing written notice of candidacy to the Association office at least thirty (30) days prior to the date of the annual membership meeting. No later than ten (10) days before the date of the annual membership meeting, the full list of candidates shall be provided to the membership by posting at the Association office and by publication in the Heritage Herald or by special mailing.

Section 25. Action Without a Meeting. Unless otherwise restricted by the Articles of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if, before or after the action, a written consent thereto is signed by all members of the Board or of such committee as the case may be, and such written consent is filed with the minutes or proceedings of the Board or committee. Such consent shall have the same effect as a vote of the Board or committee for all purposes.

Section 26. Meeting by Telephone or Similar Equipment. The Board of Directors or any committee designated by the Board of Directors may participate in a meeting of such Board, or committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section shall constitute presence in person at such meeting.

ARTICLE IV

OFFICERS

Section 27. Number and Election. The officers of the Corporation shall be elected by the Board of Directors from among their number at the annual meeting of the Board, and shall consist of a president, vice-president, secretary, treasurer, and such other officers as the Board may designate. No person shall hold more than one office.

Section 28. Terms of Officers. Each officer shall hold office until the next annual Board meeting or until his or her successor has been elected and qualified.

Section 29. Vacancies. Whenever any vacancies shall occur in any office, the same shall be filled by the Board of Directors, and the officer so elected shall hold office for the remainder of the unexpired term of his or her predecessor or until his or her successor has been elected and qualified.

Section 30. Duties of the President. The President shall preside at all meetings of the members, the Board of Directors, and the Executive Committee; shall coordinate the work of officers and committees; and shall perform such other duties as the Bylaws or the Board may prescribe.

Section 31. Duties of the Vice-President. The Vice-President shall assist the President; shall perform the duties of the President in the absence or inability of that officer to serve; and shall perform such other duties as the Bylaws or the Board may prescribe.

Section 32. Duties of the Secretary. The Secretary (or a person designated by the Secretary) shall attend to the giving and serving of notice of meetings of the members, the

Board of Directors, and the Executive Committee; and shall perform such other duties as the Bylaws or the Board may prescribe.

Section 33. Duties of the Treasurer. The Treasurer shall oversee the receipt and deposit of all monies of the corporation, and shall keep an accurate record of receipts and expenditures. The Treasurer shall present a financial statement when requested by the Board or the Executive Committee, and shall make a full report at the annual meeting of the Board and members, and shall perform such other duties as the Bylaws or the Board may prescribe.

Section 34. Assistant Secretary and Treasurer. There may be elected an assistant secretary and assistant treasurer who may, in the absence or disability of the Secretary or Treasurer, perform the duties and exercise the powers of such persons respectively.

Section 35. Absence of Officer. In the case of the absence of any officer, or for any other reason that the Board may deem sufficient, the President or the Board may delegate for the time being the powers or duties of such officer to any other officer or to any Director.

ARTICLE V

INDEMNIFICATION

Section 36. Indemnification Other Than in Actions by or in the Right of the Corporation. 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/she is or was a director, officer, employee, agent, or volunteer of the Corporation, shall be indemnified by the Corporation against expenses (including attorney fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him/her in connection with such action, suit, or proceeding if he/she acted in good faith and in a manner he/she 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/her 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/she reasonably believed to be in or not opposed to the best interest of the corporation, or, with respect to any criminal action or proceeding, that he/she had reasonable cause to believe that his/her conduct was unlawful.

Section 37. Indemnification in Actions by or in the Right of the Corporation. Any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he/she is or was a director, officer, employee, agent, or volunteer of the Corporation, shall be indemnified by the Corporation against expenses (including attorney fees) actually and reasonably incurred by him/her in connection with the defense or settlement of such action or suit if he/she acted in good faith and in a manner he/she 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 shall have been adjudged to be liable for negligence or misconduct in the performance of his/her duty to the corporation 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 of liability but in view

of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

Section 38. Expenses. To the extent that a director, officer, employee, agent, or volunteer of the corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in this Article, or in defense of any claim, issue, or matter therein, he/she shall be indemnified by the Corporation against expenses (including attorney fees) actually and reasonably incurred by him in connection therewith.

Section 39. Authorization of Indemnification. Any indemnification under this Article (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee, agent, or volunteer is proper under the circumstances because he/she has met the applicable standard of conduct set forth in this Article. Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or even if obtainable, if a quorum of disinterested directors so directs, by independent legal counsel (who may be the regular counsel of the corporation) in a written opinion, or (3) by the members.

Section 40. Advancing of Expenses. Expenses incurred in defending a civil or criminal action, suit, or proceeding described in this Article 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, upon receipt of an undertaking by or on behalf of the director, officer, employee, agent, or volunteer to repay such amount unless it shall ultimately be determined that he/she is entitled to be indemnified by the Corporation as authorized in this Article.

Section 41. Indemnification Hereunder Not Exclusive. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which a party seeking indemnification may be entitled under any bylaw, agreement, vote of disinterested directors, or otherwise, both as to action in the party's 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, agent, or volunteer, and shall inure to the benefit of the heirs, executors, and administrators of such a person.

Section 42. Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, agent, or volunteer of the Corporation, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of his/her status as such, whether or not the corporation would have the power to indemnify him/her against such liability under the provisions of this Article.

ARTICLE VI

GENERAL PROVISIONS

Section 43. Checks. 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 designates.

Section 44. Fiscal Year. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

Section 45. Seal. The corporate seal, if any, shall have inscribed thereon the name of the Corporation. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE VII

AMENDMENTS

Section 46. Articles of Incorporation. Amendments to the Articles of Incorporation may be proposed by any member of the Association in a written communication to the Secretary, and shall be submitted to a regular or special meeting of the members upon ten days notice to all members (as defined in Article II, Section 3), which shall include the specific wording of the proposed amendment and a brief statement of the rationale for the proposed amendment. To become effective, the proposed amendment must be approved by a majority of the members present at such meeting.

Section 47. Bylaws. Amendments to the Bylaws may be proposed by any member of the Association or in a written communication to the Secretary, and shall be submitted to a regular or special meeting of the members upon ten days notice to all members, which shall include the specific wording of the proposed amendment and a brief statement of the rationale for the proposed amendment. To become effective, the proposed amendment must be approved by a majority of the members present.

ARTICLE VIII

PARLIAMENTARY AUTHORITY

Section 48. The Rules contained in Robert's Rules of Order Revised shall govern the Corporation in all cases in which they are applicable and in which they are not inconsistent with the Bylaws.