

BY-LAWS
OF
CRESCENT RIDGE SUBDIVISION ASSOCIATION
ARTICLE I
NAME AND LOCATION

The name of the Corporation is CRESCENT RIDGE SUBDIVISION ASSOCIATION, hereinafter referred to as the “Association”. The principal office of the Association shall be located at 990 E. South Boulevard, Troy, Michigan 48098, but meetings of members and directors may be held at such places within the State of Michigan as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

Section 1. “Association” shall mean and refer to the CRESCENT RIDGE SUBDIVISION ASSOCIATION, a Michigan Non-Profit Corporation, its successors and assigns.

Section 2. “Owner shall mean and refer to the record Owner, whether one or more persons or entities of the fee simple title to a lot, including land contract purchasers, but excluding those having such interest merely as security for the performance of an obligation. When more than one person or entity has an interest in the fee title of a lot, the interest of all such persons collectively shall be that of a single Owner.

Section 3. “Lot” shall mean and refer to any numbered lot shown on any recorded Plat of the CRESCENT RIDGE SUBDIVISION NO. 2 or any other lot shown on a recorded Plat of a CRESCENT RIDGE SUBDIVISION which is subject to the Restated Declaration of Restrictions.

Section 4. “Declarant” shall mean and refer to Biltmore Properties Corporation, a Michigan Corporation, its successors and assigns.

Section 5. “Declaration” shall mean and refer to the Restated Declaration of Restrictions for the CRESCENT RIDGE SUBDIVISION NO. 2, as recorded in Liber 10197, Page 468, Oakland County Records, and any further Amendments thereto.

Section 6. “Member” shall mean and refer to those persons entitled to membership in the Association, as provided in the Restated Declaration and its Amendments.

Section 7. “Common Area” shall mean those areas of land within the Subdivision or within any future Subdivision if any, hereafter annexed (including improvements thereto) now or hereafter owned by the Association, which are set aside for the common use and enjoyment of the Owners. References to Common Area shall only apply if Common Area exists.

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a lot in the Subdivision shall be a mandatory member of the Association. Membership shall be appurtenant to and may not be separate from ownership of any lot which is subject to assessment.

Section 2. The Association shall have two classes of voting membership:

CLASS A. Class A members shall be all Owners, with the exception of the Declarant and its builder/purchasers. Class A members shall have no voting rights until the first to occur of the following.

- (a) The Class A members having attained at least sixty-five (65%) percent of more of the number of votes of the original Class B members as hereinafter defined; or
- (b) Four (4) years from the date of recording of the Plat; or
- (c) The date that the Class B members elect in writing to waive the requirements of 2(a) and (b) above, whichever occurs first.

Upon the happening of the first to occur of said events, the Class A members shall be entitled to one vote for each lot owned. When more than one person holds an interest in any lot, all such persons collectively shall be members, and the vote for each such lot shall be exercised as the determined; provided that in no event shall more than one vote be cast with respect to any one lot.

CLASS B. The Class B members shall be the Declarant and/or its builder/purchasers. Class B members shall be entitled to one vote for each lot owned.

ARTICLE IV
PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every lot, whether or not specifically set forth in the deed of conveyance of said lot, subject to the following provisions:

- (a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

- (b) the right of the Association to suspend the voting rights and the right to use the recreational facilities by an Owner of any period during which any assessment against the Owner's Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;
- (c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by a majority of the members.

No such dedication or transfer shall be effective until an instrument agreeing to such dedication or transfer having been signed by 2/3rds of the members entitled to vote has been recorded with the Oakland County Register of Deeds.

- (d) the Common Areas, if any, may be used for all forms of recreation, including hiking, nature study, picnicking and similar pursuits in keeping with the nature of the area, as well as for the storage of surface water. No change shall be permitted in any Common Area which would alter any storm water and surface water detention and retention and storage basins or other facilities constructed thereon, if any. Recreational Facilities, including but not limited to bridges, bike paths, picnic shelters, grills and similar items, may be constructed in any Common Area by the Association or the Declarant, provided such does not violate the Restrictions, any Open Space Agreement or any law regulating such areas. Nothing in this paragraph, however shall be construed to create any obligation whatsoever to construct any recreational facilities by the Association or the Declarant. All members of the Association and guest accompanying said members, thereon, subject to rules and regulations established by the Association, including, but not limited to the right to place limitations on the number of guests or to prohibit guests at certain prescribed times. All efforts shall be utilized by the Association and the membership to preserve and maintain all trees, shrubs and landscaping, if any, within any common areas. No Owner may remove trees and/ or shrubs from the common area(s) for planting upon his property.

Additional uses for the Common Area may be established if approved in writing by not less than fifty-one (51%) percent of the members of the Association entitled to vote and ratified by the Declarant.

Section 2. Delegation of Use. Any owner may Delegate in accordance with the By-Laws, his right of enjoyment in and to the Common Area and facilities to the member's family, his tenant(s), or his land contract purchasers.

ARTICLE V
COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments.

Each owner of a lot, by acceptance of a deed therefore, whether or not is hall be so expressed in such deed, is deemed to covenant and agree to pay to the Association:

(1) annual general assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual general and special assessments, together with interest thereon, collection costs, including reasonable attorney's few, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest thereon, costs of collection thereof, including reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to a successor in title unless expressly assumed by them, but shall remain a lien upon the property, unless paid.

Section 2. Purpose of Assessments. Assessments shall be levied by the Association against each Owner. Assessments shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the Owners of lots in the Subdivision, and in particular, for the operation, maintenance, management and improvement of the Common Area(s). any storm water detention and retention facilities thereon, including but not limited to the payment of the cleaning of any detention or retention basins and related facilities; the payment of taxes and insurance; the maintenance, repair and replacement of all Subdivision improvements, including without limiting the generality thereof private storm drainage easements, the wetlands, woodlands, greenbelts, subdivision entrances, entranceways and monuments; for planting and maintenance of trees, shrubs and grass; for operation and maintenance of recreational facilities including bike paths; for caring for vacant lots; for street lighting and irrigation of plantings; for maintenance of the cul-de-sacs; for providing community services; for security services; for professional fees and supervision for and in connection with any Common Area(s); the maintenance and improvements for the Association; and for the preservation, repair and maintenance of all improvements or facilities constructed or placed within, on or upon or for benefit of the Subdivision and/or the members.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first lot in CRESCENT RIDGE SUBCIVISION NO. 2 to an Owner, the maximum annual assessment shall be Twenty-Four and 00/100 (\$24.00) Dollars per lot.

- (a) From and after January 1 for the year immediately following the conveyance of the first lot in the Subdivision to an Owner, the maximum annual assessment may be increased each year not more than five (5%) percent above the maximum assessment for the previous year without a vote of the membership.

- (b) From and after January 1 of the year immediately following the conveyance of the first lot in the Subdivision to an Owner, the maximum annual assessment may be increased above five (5%) percent by a vote of two-thirds (2/3) of each class of members who are entitled to vote, in person or by proxy, at a meeting duly called for the purpose.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of any improvement upon the Common Areas and other areas under the control of the Association, including subdivision entrances, greenbelts, fixtures and personal property, and the preservation of wetlands and woodlands, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are entitled to vote, in person or by proxy, at a meeting duly called for the purpose.

Section 5. Notice and Quorum for Actions Authorized Under Section 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 and 4 shall be sent to all members not less than fifteen (15) days nor more than thirty (30) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty (60%) percent of all votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Rate of Assessment. Both the general and the special assessments shall be set by the Board of Directors at the uniform rate for the Owners of all Lots and may be collected on a monthly or an annual basis. However, notwithstanding anything to the contrary contained herein or elsewhere in the Declaration, no assessment levied against the Declarant, or any builder who has purchased one or more Lots for the purpose of construction of a residence thereon for sale to an Owner, shall exceed the sum of fifty (\$.50) cents per Lot per month for each full month each Lot is owned or purchased by land contract.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the first Lot to an Owner. A conveyance to a builder who has purchased a Lot for the purpose of constructing a residence thereon for sale to an Owner shall not be deemed to be a conveyance to an Owner. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (3) days in advance of each annual assessment period. Written notice of the annual assessment shall be set to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a

certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of seven (7%) percent per annum. The association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Lot. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 9. Exempt Property. All Common Areas and all other property exempt from taxation by state or local governments and dedicated for public use shall be exempt from the assessments, charge and lien created herein.

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any lot shall not affect the assessment lien. The sale or transfer of any lot pursuant to mortgage foreclosure proceedings or a judgment of foreclosure, shall extinguish the lien of such assessments as to payments which became due prior to such foreclosure sale but shall not relieve such lot from liability for any future assessments thereafter becoming due or from the lien thereafter created,

Section 11. Liability of Board Members. Neither any Member of the Board nor the Declarant shall be personally liable to any Owner, or to any other party, for the damage, loss or prejudice suffered or claimed on account of any act or omission of the Association, the Board, the Declarant or any other representatives or employees of the Association.

Section 12. Failure to Maintain Common Area. In the event the Association shall at any time fail to maintain the Common Area, or any portion thereof, in reasonable order and condition, the City of Troy may serve written notice upon the Association or upon the Owners setting forth the manner in which the Association has failed to maintain the Common Area and said notice shall include a demand that the deficiencies of maintenance be cured within ten (10) days thereof. If the deficiencies set forth in the notice, or in any modifications thereof, shall not be cured within said ten (10) days or any extension thereof, the City, in order to prevent the Common Area from becoming a public nuisance, may enter upon the Common Area and maintain the Common Area until the Association is able to do so. Said maintenance by the City shall not constitute a taking of the Common Area, or any portion thereof, or vest in the public any right to sue the same. If the City shall reasonably determine that the Association is ready and able to maintain the Common Area in a reasonable condition, the City shall cease to maintain it. The reasonable cost of such maintenance by the City shall be charged to the Association and, if not paid, assessed equally against each Lot and shall become a lien on each Lot, added to the tax rolls, and collected and enforced in a like manner as general City taxes are collected and enforced. In addition, the City shall be, at its option, subrogated to the Association's rights of collection from its members to the extent of that cost, if the City shall, by an official resolution, give thirty (30)

days written notice to each Member of the City's decision to be so subrogated. However, should an emergency threatening the public health, safety and/or general welfare of the public be determined by the City to exist, the City shall have the right to take immediate corrective action.

ARTICLE VI MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members entitled to vote shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of five (5:00) o'clock p.m. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by vote of the Board of Directors, or upon written request of the members who are entitled to vote one-half (1/2) of all the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least ten (10) days before such meeting of each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Each member shall register his address with the secretary, and notices of meetings shall be mailed to him at such address. Such notice shall specify the place, date and hour of the meeting, and in the case of a special meeting, the purpose of the meeting. If the business of any meeting shall involve any change in the basis or maximum amount of the annual assessment set forth in Article V of the Declaration, or any special assessments therein authorized, notice of such meeting shall be given or sent as therein provided.

Section 4. Quorum. The presence at the meeting of the members entitled to cast, or of proxies entitled to cast, one-tenth (1/10th) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat 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. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot.

ARTICLE VII
BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of the Association shall be managed by a Board of not less than three (3), but not more than fifteen (15) Directors who need not be members of the Association. Such Board of Directors shall be appointed by the Declarant until such time as not less than sixty-five (65%) percent of the residential lots in the Subdivision shall have been sold to Owners or from the date that Declarant transfers voting rights to the Owners or four (4) years from the date of recording of the plat, whichever is first to occur. Thereafter, the Board of Directors shall be elected by the Owners.

Section 2. Transfer of Right to Appoint Directors. In the event that following the transfer of operating rights by the Declarant, the Owners are unwilling or unable to elect a Board of Directors who desire to serve as directors, the Declarant reserves the right to grant to a Management Agent of the Association or to such other designee chosen by Declarant the right to appoint a Board of Directors composed of either Owners or non-Owners, or some combination thereof. The fee charged by such Management Agent or other designee and by the directors shall be paid directly by the Association. The right of the Management Agent or other designee to appoint the Board of Directors shall continue until the next annual meeting of the member at which the Owners are willing and able to elect a Board of Directors of Owners who desire to serve as directors.

Section 3. Term of Office. At the first annual meeting, and at each annual meeting thereafter, the members of the Association entitled to vote shall elect at least three (3) Directors for a term of one (1) year. A Director shall hold office for the term for which he is elected and until his successor is elected and qualified or until his resignation or removal.

Section 4. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the members of the Association entitled to vote.

Section 5. Vacancies. Vacancies in the Board of Directors cause by death, resignation or removal of a Director shall be filled by appointment by and upon the vote of a majority of the remaining Directors, and such Director or Directors, so appointed, shall serve for the unexpired term of his predecessor.

Section 6. Compensation. No Director other than as set forth in Section 2, shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE VIII
MEETINGS OF DIRECTORS

Section 1. Place of Meeting. The Directors may hold their meetings in such place or places within or without this State as a majority of the Board of Directors may, from time to time determine.

Section 2. Meetings. Meetings of the Board of Directors may be called at any time by the president or the secretary or by a majority of the Board of Directors. The Directors shall be notified in writing of the time, place and purpose of all meetings of the Board at least three (3) days prior to the date scheduled for said meeting with the exception of the annual meeting of the Board of Directors, for which no notice shall be provided, and which shall be held immediately after the annual meeting of the members. Attendance of a Director at a meeting constitutes a waiver of notice of said meeting, except where the Director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 3. Quorum. A majority of the members of the Board then in office constitutes a quorum for the transaction of business. The vote of the majority of members present at a meeting at which a quorum is present constitutes the action of the Board; provided that amendment of the By-Laws by the Board of Directors requires the vote of not less than a majority of the members of the Board then in office.

Section 4. Action Without a Meeting. Any action which might be taken at a meeting of the Board may be taken without a meeting if before or after the said action all members of the Board consent thereto in writing. The written consents shall be filed with the Minutes of the proceedings of the Board. The consent has the same effect as a vote of the Board for all purposes.

ARTICLE IX
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to, in addition to any and all powers conferred by Statute, to:

- (a) Adopt and publish rules and regulations governing the use of the Common area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) Suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of the published rules and regulations;

- (c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, the Declaration, or Open Space Agreement;
- (d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive scheduled meetings of the Board of Directors;
- (e) Employ a manager, an independent contractor, professional maintenance contractors or such other employees as they deem necessary, and to prescribe their duties; and
- (f) To delegate to the appropriate officers the carrying out of its policies and directives.

Section 2. Duties. The Board of Directors shall:

- (a) Fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period;
- (b) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period;
- (c) Initiate collection of delinquent assessments including, in their discretion, the foreclosure of the lien against any property for which assessments are not paid after due or to bring an action at law against the Owner personally obligated to pay the same;
- (d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) Procure and maintain adequate liability and hazard insurance on property owned by the Association;
- (f) Cause the Common Area, if any, to be maintained and preserved, as is more fully defined in the Declaration;
- (g) To exercise for the Association all powers, duties and authority vested in or delegated to the Association.

ARTICLE X
OFFICERS

Section 1. At the annual meeting of the Board of Directors, the Board shall select a president, a secretary and a treasurer and may select one or more vice presidents, assistant secretaries and assistant treasurers who shall serve for the period of one (1) year or until their successors shall be chosen. Two or more offices may be held by the same person but an officer shall not execute, acknowledge or verify an instrument in more than one capacity if the instrument is required by law or the Articles of Incorporation or By-Laws to be executed and acknowledge or verified by two (2) or more officers.

Section 2. The Board of Directors may also appoint such other officers and agents as they may deem necessary for the transaction of the business of the Corporation, including a Managing Agent. All officers and agents shall respectively have such authority and perform such duties in the management of the property and affairs of the Association as may be designated by the Board of Directors. The Board of Directors may remove any officer or agent whenever, in their judgment, the interest of the Association will be served thereby.

Section 3. The Board of Directors may secure the fidelity of any or all of such officers by bond or otherwise.

ARTICLE XI
DUTIES OF OFFICERS

Section 1. President. The President shall be the chief executive officer of the Association, and in the recess of the Board of Directors shall have the general control and management of its business and affairs, subject, however, to the right of the Board of Directors to delegate any specific power except such as may be by statute exclusively conferred upon the President, to any other officer or officers of the Association. He shall preside at all meetings of the Directors and all meetings of the members.

Section 2. Vice-President. In case of the office of President shall become vacant by death, resignation, or otherwise, or in case of the absence of the President, or his disability to discharge the duties of this office, such duties shall, for the time being, devolve upon the Vice-President who shall do and perform such other acts as the Board of Directors may, from time to time, authorize him to do.

Section 3. Treasurer. The Treasurer shall have custody and keep account of all money, funds and property of the Association, unless otherwise determined by the Board of Directors, and he shall render such accounts and present such statement to the Directors and President as may be required of him. He shall deposit all funds of the Association which may come into his hands in such bank or banks as the Board of Directors may designate. He shall keep his bank accounts in the name of the Association, and shall exhibit his books and accounts, at all reasonable times, to any Director of the Association upon application at the

office of the Association during business hours. He shall pay out money as the affairs of the Association require upon the order of the property constituted officer or officers of the Association, taking proper vouchers therefore; provided, however, the Board of Directors shall have power by resolution to delegate any of the duties of the Treasurer to other officers, and to provide by what officers, if any all bills, notes, checks, vouchers, orders or other instruments shall be countersigned. He shall perform, in addition, such other duties as may be delegated to him by the Board of Directors.

Section 4. Secretary. The Secretary of the Association shall keep the minutes of all the meetings of the members and Board of Directors in books provided for that purpose; he shall attend to the giving and receiving of all notices of the Association to the members, he shall have charge of the books and papers as the Board of Directors may direct; all of which, shall, at all reasonable times, be open to the examination of any Director upon application at the office of Secretary, and in addition such other duties as may be delegated to him by the Board of Directors; and shall keep appropriate records to f the names and addresses of the members.

Section 5. Contracts Signed by Officers. Any of the following officers, President, Vice President, Secretary or Treasure may sign any contracts of the Association unless otherwise provided by the Board of Directors.

ARTICLE XII COMMITTEES

The Board of Directors may appoint such committees as deemed appropriate in carrying out its purposes.

ARTICLE XIII PROXIES

Section 1. At all meetings of members, each member entitled to vote may vote in person or by proxy.

Section 2. All proxies shall be in writing and filed with the Secretary. No proxy shall extend beyond a period of eleven (11) months, and every proxy shall automatically cease upon sale by the member of his lot.

ARTICLE XIV CORPORATE SEAL

No seal shall be required to be adopted as the corporate seal of this Association for the regular conduct of its business. In the event as seal should be required for any transaction, then any blank corporate seal may be utilized as the seal for the Association.

ARTICLE XV

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of two-thirds (2/3rds) of each class of members present, either in person or by proxy, and entitled to vote, provided that any matter stated herein to be or which is in fact governed by the Declaration of Restrictions or to any Open Space Agreement applicable to the Subdivision, and recorded, may not be amended except as provided in such Declaration of Restrictions or Open Space Agreement.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control.

ARTICLE XVI

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except the first fiscal year shall begin on the date of incorporation.

ARTICLE XVII

INDEMNITY

Limitation of Liability of Directors. No volunteer director, as that term is defined in Act 162, Public Acts of 1982, as amended (“Act”), shall be personally liable to the Association or its members for monetary damages for breach of fiduciary duty as a director, provided that the foregoing shall not eliminate the liability of a director for any of the following: (i) breach of the director’s duty of loyalty to the Association or its members; (ii) acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law; (iii) a violation of Section 551 (1) of the Act; (iv) a transaction from which the director derived an improper personal benefit; or (v) an act or omission that is grossly negligent. If the Act hereafter is amended to authorize the further elimination or limitation of the liability of directors, then the liability of a director of the Association, in addition to the limitation on personal liability contained herein, shall be limited to the fullest extent permitted by the amended Act. No amendment or repeal of this Article XVII shall apply to or have any affect on the liability of any director of the Association or with respect to any acts or omissions of such director occurring prior to such amendment or repeal.

CERTIFICATION

I the undersigned, do hereby certify:

That I am the duly elected and acting secretary of CRESCENT RIDGE
SUBDIVISION ASSOCIATION; and that the above is a true copy of the By-Laws of this
Association adopted by the Association on the above date.

Roger Kramer
Secretary