

BY-LAWS
OF
WAREHOUSE DISTRICT LOFTS
TOWNHOUSE ASSOCIATION, INC.

The Board of Directors of WAREHOUSE DISTRICT LOFTS TOWNHOUSE ASSOCIATION, INC., a Louisiana nonprofit corporation, has adopted, enacted and promulgated the following By-Laws of Warehouse District Lofts Townhouse Association (the "By-Laws") effective as of August 24, 2010.

ARTICLE 1

NAME AND OFFICE

The name of the corporation is WAREHOUSE DISTRICT LOFTS TOWNHOUSE ASSOCIATION, INC., hereinafter referred to as the "Association." The principal office of the Association shall be in the State of Louisiana. The Association shall designate a registered office in accordance with Louisiana law and shall maintain it continuously. The Association may have offices at such other places within and without the State of Louisiana as the Board of Directors may from time to time provide.

ARTICLE 2

BOARD OF DIRECTORS

As used herein, the following terms in quotation marks shall have the meanings ascribed below:

- (1) "Articles" shall mean and refer to the Articles of Incorporation of the Association, as the same may be amended from time to time.**
- (2) "Assessment" shall mean and refer to the monetary amounts assessed by the Association annually against a Lot to cover the operating expenses for the Association and maintenance, repair or improvements to the property of the Association.**
- (3) "Association" shall mean and refer to WAREHOUSE DISTRICT LOFTS TOWNHOUSE ASSOCIATION, INC., its successors and assigns.**
- (4) "Board" shall mean the Board of Directors of the Association.**
- (5) "Clerk of Court" shall mean and refer to the Clerk of Court and ex-officio recorder of mortgages and registrar of conveyances for the Parish of Lafayette, Louisiana.**
- (6) "Covenants" shall mean and refer, singularly and collectively, to that certain Act of Dedication and Declaration of Covenants, Conditions and Restrictions of The Warehouse District Lofts (A Residential Townhouse Development) executed by the Developer, which is filed in the records of the Clerk of Court, as the same may have been, or may hereafter be, amended or corrected from time to time.**

- (7) "Developer" shall mean and refer to Warehouse District Lofts, LLC.
- (8) "Lot" shall mean and refer to a discrete, separately numbered and delineated lot or **parcel of ground within the Subdivision**, as shown on the recorded plat of survey for the phase of the **Subdivision in which the Lot is located**.
- (9) "Member" shall mean and refer to a member of the Association.
- (10) "Owner" shall mean and refer to any person, corporation, partnership or other legal entity owning an interest in a Lot other than: (a) a naked ownership interest subject to a usufruct; (b) a mineral interest or minerals rights; (c) a predial servitude; (d) a right of use; or, (e) a right of habitation. A person having a usufruct over all or some portion of the surface of any Lot shall be an Owner for purposes of this act to the extent of the usufruct's coverage of the surface of the Lot A lessee shall not be an Owner.
- (11) "Subdivision" shall mean and refer to **THE WAREHOUSE DISTRICT LOFTS (A RESIDENTIAL TOWNHOUSE DEVELOPMENT)**.
- (12) "Voting Member" shall mean and refer to a Member having the right to cast the vote of a Lot, either individually as the sole Owner of the Lot or as the Member designated to cast the vote of a Lot owned by two or more co-Owners.

ARTICLE 3

PURPOSE

The purpose of the Association is to perform the duties and functions described in the Articles and the Covenants, and such other duties which the Association is authorized to perform under law.

ARTICLE 4

MEMBERS

Section 4.1 Qualifications.

A. Membership and Voting Rights. The Association shall have two classes of voting membership, Class A and Class B. Every Owner, except the Developer, shall become a Class A Member of the Association effective upon becoming an Owner. The Developer shall be the sole Class B Member for so long as, and at such times that, it is an Owner. A Member shall cease to be a Member when the Member ceases to be an Owner.

B. Allocation and Exercise of Voting Rights.

(1) The Association shall grant one vote for each Lot in the Subdivision owned in whole or in part by a Class A Member. If a Lot is owned by two or more Class A Members or by the Class B Member and one or more Class A Members, then such Members shall designate in writing a single Voting Member from among such co-owning Members as their proxy to cast the vote of, and represent their Lot. Any Lot owned in full by the Class B Member shall have three (3) votes which only the Class B Member

shall be entitled to cast. A Voting Member which is a juridical person shall act through an authorized representative.

(2) The Association shall not be required to recognize a Voting Member's right to vote until (a) the Association's Secretary or Assistant Secretary has been provided with a complete copy of the recorded act of conveyance whereby the Voting Member and his co-owning Members, if any, acquired their interests, certified to be true and correct by the Clerk of **Court**, coupled with the written designation or proxy of all the **co-owning** Members of a Lot designating the Voting Member for the Lot as provided in subsection 4.1B(1) above; (b) in the case of a Voting Member which is a juridical person, the Association's Secretary is provided with reasonable evidence of the authority of its representative to act on its behalf; and, (c) the Voting Member and his co-owning Members otherwise fully comply with these Restated By-Laws, as the same may be amended; however, the Association, acting through any two of its officers, shall have the right to waive any and **all** of these requirements for recognition of any Voting Member's right to cast the vote of a **Lot**, at any time, in the reasonable exercise of their discretion.

(3) The right and/or proxy to **vote a Lot** shall be personal **and** not heritable, and further, the Association shall not be required to recognize a Voting Member's right to vote through any personal representative except the holder of a proxy personally executed by the Voting Member.

(4) All Members in good standing shall have the right to attend and participate in any annual or special meeting of the Members, but only duly authorized Voting Members shall have the right to cast votes at such meetings. Both Class A and Class B Voting Members shall be entitled to vote on all matters submitted to the membership for decisions except as otherwise expressly provided by the Covenants, these By-Laws or the Articles.

Section 4.2 Annual Meetings. The purpose of the annual meeting of Members is to elect directors and to transact such other matters as may properly come before the Members. The annual meeting of the Members of the Association shall be held at 5:30 p.m. on the third Wednesday in January of each year hereafter. However, failure to hold an annual meeting timely shall in no way affect the terms of officers of directors of the Association or the validity of actions of the Association. The time or date of the annual meeting may be changed to another reasonable time or date by the Board upon the giving of written notice to all Members at least ten (10) days in advance of the date fixed for the meeting.

Section 4.3 Special Meetings. Special meetings of Members may be called by the President or by a majority of the Board of Directors then in office or by Voting Members entitled to vote one-fourth (1/4) or more of the outstanding votes of the Association. The purpose of each special meeting shall be stated in the notice and may only include purposes which are lawful and proper for Voting Members to consider.

Section 4.4 Place of Meeting. The Board may designate any place, either within or without the State of Louisiana, as the place of meeting of Members, annual or special. If no designation is made, then the place of meeting shall be the principal office of the Association in the State of Louisiana

Section 4.5 Notice of Meeting. Written or printed notice stating the place, day **and** hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered personally or by **mail** not less than ten (10) days nor more than sixty (60) days before the date of the meeting. Notice shall be given by or at the direction of the President or the Secretary or the persons calling the meeting to each Member of record. **If** two or more Members reside at the same address, **only** one

notice, addressed to all such members, need be mailed or delivered to that address and such notice shall be effective as to all such Members. Notice to any Member who is a co-Owner of a Lot shall be deemed to be notice to all co-Owners of the same Lot, regardless of whether a separate notice is sent to the other co-Owners. If mailed, such notice shall be deemed to have been delivered when deposited in the United States **Mail**, postage prepaid and properly addressed. If given by personal delivery, such notice shall be deemed to have been delivered when tendered to the Member in person. **All** mailed notices of meetings shall be addressed to the Member at the last address shown for the Member on the books of the Association, or if no address is shown for a Member on the books of the Association, then to the member's last known mailing address as stated on the property tax assessment rolls of the Parish of Lafayette, or in the act of **sale** or other title transfer document by which the Member acquired an interest in a Lot in the Subdivision. It shall be the Member's responsibility to notify the Association in writing of the **Member's** current address and any change in address.

Section 4.6 Waiver of Notice. A written waiver of notice signed by a Member, whether before or after a meeting, shall be equivalent to the giving of such notice. Attendance of a Member at a meeting shall constitute a waiver of notice of such meeting, except when the Member attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

Section 4.7 Conduct. The rules contained in the current edition of *The Modern Rules of Order*, or other rules of order adopted by the Board in lieu thereof, shall govern the conduct of meetings of the Members **in all** cases to which they are applicable and in which they are not inconsistent with these By-Laws and any special rules of order the Association may adopt.

Section 4.8 Action Without Meeting.

A. Written Consent. Any action of the 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 **all** Voting Members of the Association, and provisions regarding same in the Covenants, the Articles and these By-Laws are otherwise complied with. The written consent shall be filed in the records of the Association, together with a certificate by the Secretary of the Association to the effect that the subscribers to the consent constitute all of the Voting Members entitled to vote on the particular question.

B. Ballot ins by Mail

(1) To the extent not inconsistent with the Articles, any action, other than the election of directors, which may be taken at an annual or special meeting, may be taken without a meeting of Members, by mail ballot, in accordance with the provisions of this Section 4.8B. If action is to be taken by this method, the Association shall distribute a mail ballot package (a **"Ballot Package"**) to every Member consisting of: (a) a pre-addressed return ballot envelope to be used by the Voting Member to return the marked ballot, and, where appropriate, any designations or proxies appointing the Voting Member as such, which envelope shall contain spaces **for** the Voting member to print his or her name and address in the upper left corner, to **sign** the envelope, and to provide such other identifying information as the Board may direct; (b) a notice of the measure or action to be voted upon by mail balloting, with instructions for voting and returning the ballots; (c) an unmarked ballot form; and (d) such other materials as the Board may direct. Ballot packages may also include a form of designation or proxy for the use of co-owning Members of any Lot to designate one of their number as the Voting Member for their Lot. The ballot shall set forth the

proposed measure or action to be voted upon and provide appropriate boxes, blanks, lines or other spaces to specify approval or disapproval of the measure or action.

(2) Ballot Packages may be distributed by first class United States mail, personal delivery, or any other means approved by the Board, or by any combination of such methods. If two ~~or~~ more Members who are Owners of the same Lot have the same address, only one Ballot Package, addressed to all such Members, need be mailed or delivered to that address and such Ballot Package shall be deemed to have been distributed to all such Members. Mailing or delivery of a Ballot Package to any Member who is a co-Owner of a Lot shall constitute distribution of the Ballot Package to **all** co-Owners of the same **Lot**, regardless of whether a separate Ballot Package is sent to any of the other co-Owners. If mailed, a Ballot Package shall be deemed to **have** been distributed when deposited **in** the United States Mail, postage prepaid and property addressed to the address to which notices are to be sent under Section 4.5. If given by personal delivery, a Ballot Package shall be deemed to have been distributed when tendered to the Member in person (or to any one of the Members addressed if the Ballot Package is addressed to more than one). If distributed by any other means, the Ballot Package shall be deemed to have been distributed when received by the Member. The Board shall provide a reasonable time within which to return the ballot to the Association, which shall ~~be a~~ date not earlier than thirty (**30**) days after distribution of the Ballot Package to the Members.

(3) Approval of a measure or action by written ballot shall be valid only when the number of votes cast equals or exceeds the quorum required to be present at a meeting of the Members to authorize the measure or action, and the number of affirmative votes equals or exceeds the number required to pass the measure or action at a meeting where a quorum is present.

(4) The notice of the action to be voted upon shall identify both the number of responses needed to meet the quorum requirement and the percentage **and/or** number of affirmative votes necessary to pass the measure submitted and shall specify the time by which the ballot must be received by the Association in order to be counted.

(5) The Board may adopt procedures otherwise consistent with this Section regarding the design, distribution, return, verification of eligibility, authentication, and counting of written ballots and balloting results, and for announcing the results of balloting by mail on any matter.

Section 4.9 Record Date. For purpose of determining Members entitled to notice of, or to vote at, any meeting of the Members, or in order to make a determination of Members for any other purpose, including without limitation taking action by mail balloting without a meeting, the Board may fix in advance a date as the record date for such determination. Such date shall be not more than seventy (70) days, and in case of a meeting of Members, not less than ten (10) days prior to the date on which the particular action requiring such determination is to be taken. If no record date is fixed for the determination of Members entitled to notice of ~~or~~ to vote at a meeting of the Members or to receive ballots for action to be taken without a meeting, the date on which the notice of the meeting is mailed, if the notice is mailed, or dated, if the notice is delivered in person, or the earlier of the two if the notice is given by both methods, shall be the record date for such determination.

Section 4.10 Membership List At any meeting of Members, a **list** of Voting Members, arranged alphabetically and certified by the Secretary, reflecting the class of membership **held** by the Voting Member on the record date, shall be produces on request of any Member. The list shall be prima facie evidence of its contents, and of the right of the Voting Members listed therein to vote. If the requirements of this section

have not been substantially complied with, then upon demand of any Member in person or by proxy, the meeting shall be adjourned until the requirements are complied with. If no such demand is made, failure to comply with the requirements of this section shall not affect the validity of any action taken at such meeting.

Section 4.11 Member Quorum and Voting. Unless otherwise required ~~in~~ the Articles or by applicable law with regard to a particular action, the presence in person or by proxy of Voting Members representing one-third (1/3) of the Lots in the Subdivision shall constitute a quorum for the transaction of business at any meeting of the Members. When a specified item of business is required to be voted on by a class of Members, unless otherwise required in the Articles, a majority of the Voting Members of such class shall constitute a quorum for the transaction of such items of business by that class. If a quorum is present, unless otherwise provided by law, the Articles or these By-Laws, the affirmative vote of majority of the Lots represented at the meeting entitled to vote on the subject matter shall be the act of the Members. After a quorum has been established at a Members' meeting, the subsequent withdrawal of Voting Members, so as to reduce the numbers of Members entitled to vote at the meeting below the number required for a quorum, shall not affect the validity of any action taken at the meeting or any **adjournment** thereof. If a quorum is not present when a meeting starts, then a majority of the Voting Members at the meeting may adjourn the meeting from time to time without further notice until a quorum is present, or may take such action without a quorum as is permitted by law, including without limitation, Section 231 of the Louisiana Nonprofit Corporation Law.

Section 4.12 Proxies. Every Member entitled to vote at a meeting of Members or by written ballot or to express consent or dissent without a meeting may authorize another person or persons to act for him by proxy. Every proxy shall be in writing and shall be signed by the Member entitled to vote. No proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the Member executing it, except as otherwise provided by law.

ARTICLE 5

BOARD OF DIRECTORS

Section 5.1 General Powers. Subject to the limitations of the Articles, these By-Laws, and the Louisiana Nonprofit Corporation Law concerning corporate action that must be authorized or approved by the Members of the Association, the management and affairs of the Association shall be controlled by the Board, and all corporate rights and powers shall be exercised by or under the authority of the Board, including but not limited to,

- (1) the right ~~of the~~ Association, in accordance ~~with~~ its Articles, to borrow money ~~for~~ the purpose of improving the Common Areas as defined in the Covenants and any amendments thereto and to grant mortgages or security interests therein as security for any such ~~loan~~ of money; and,
- (2) the right of the Association to take such steps as are reasonably necessary to protect the property of the Association against mortgage default ~~and/or~~ foreclosures, provided, always, however, that the same are in conformity with the other provisions of the Articles and the Covenants; and,
- (3) the right of the Association ~~to~~ limit the number of guests of Owners who may use any facilities which are developed upon the Common Areas; and,

(4) the right of the Association to suspend the voting rights and the rights to the use of the Common Areas (except for the right to use any private streets and ways, roadways and parking areas which may be established, which right shall not be subject to suspension for any reason) for any period during which any Assessment remains unpaid and for any period not to exceed thirty (30) days for any infraction of any of the published rules and regulations of the Association; and,

(5) the right of the Association to grant rights-of-way and/or servitudes for any public utility to any state, parish or municipal agency, public utility or to the Developer for the purpose of installation and/or maintenance of such utilities as may be necessary to serve any of the Common Areas or to serve any other portion of the Subdivision; provided, however, that not such right-of-way shall be permanently inconsistent with the enjoyment of the Common Areas by the Members of the Association.

Section 5.2 Number; Qualification. The number of directors shall be not less than three nor more than five, all of whom shall be natural persons of at least twenty-five (25) years of age. Unless changed by an amendment to these By-Laws, the number of directors shall be fixed between two (2) and five (5) from and after the effective date of these By-Laws. Directors need not be Members of the Association or residents of the Subdivision.

Section 5.3 Term of Office. Directors shall hold their offices for terms of one (1) year and until their successors are elected and qualified.

Section 5.4 Nomination. Nominations for election to the Board shall be solicited by a Nominating Committee. Nominations may also be made from the floor at the annual meeting of the Members. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board and two (2) or more other persons who shall be individual Members of the Association or duly authorized officers or representatives of a Member which is a corporation or other juridical person. The members of the Nominating Committee shall be appointed by the Board, and the members shall serve for such terms of office as may be determined by the Board. The Nominating Committee may make as many nominations for election to the Board as it shall in its discretion determine, but shall nominate at least two persons to stand for election for each director to be elected. The names of the selected candidates shall be announced to the Members prior to the meeting of the Members, and the announcement may include such biographical or other information about the candidates as the Nominating Committee shall determine in its discretion. All candidates shall have a reasonable opportunity to communicate their qualifications to the members and to solicit votes.

Section 5.5 Election. Election to the Board shall be by written ballot at the meeting of the members. At such election the Members or their proxies may cast, in respect to each directorship to be filled, as many votes as they are entitled to exercise under the provisions of the Articles of Incorporation and these By-Laws. Each Voting Member shall be entitled to cast one vote for each position to be filled, but votes may not be cumulated. The candidates receiving the largest number of votes shall be elected.

Section 5.6 Annual Meetings. The Board shall hold its annual meeting at the same place as and immediately following each annual meeting of Members for the purpose of the election of Officers and the transaction of such other business as may come before the meeting. If a majority of the directors are present at the annual meeting of Members, no prior notice of the annual meeting of the board shall be required. However, another place and time for such meeting may be fixed by written consent of all the directors.

Section 5.7 Regular Meetings. Regular meetings of the Board may be held without notice at such time and at such place as shall be determined from time to time by the Board.

Section 5.8 Special Meetings. Special meetings of the Board may be called by the Chairman of the Board (if there is one), the President or any director. The person or persons authorized to call special meetings of the Board may fix a reasonable time and place for holding them.

Section 5.9 Telephone Meetings. Directors may participate in meetings of the Board by means of a conference telephone or similar communications equipment by which all person participating can hear each other at the same time, and participation by such means shall constitute presence in person at such a meeting.

Section 5.10 Action Without Meeting. Any action of the Board may be taken without a meeting if a consent in writing setting forth the action so taken signed by all of the directors is filed in the minutes of the Board. Such consent shall have the same effect as an unanimous vote.

Section 5.11 Notice and Waiver. Notice of any special meeting shall be given at least three (3) days prior thereto by written notice delivered personally, by mail or by telegram to each director at his address. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail, postage prepaid. If notice is given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any director may waive notice of any meeting, either before, at, or after such meeting by signing a waiver of notice. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting and a waiver of any and all objections to the place of such meeting or the manner in which it has been called or convened, except when a director states at the beginning of the meeting any objection to the transaction of business because the meeting is not lawfully called or convened.

Section 5.12 Quorum and Voting. A majority of directors in office shall constitute a quorum for the transaction of business. The vote of a majority of directors present at a meeting at which a quorum is present shall constitute the act of the Board. If less than a quorum is present, then a majority of those directors present may adjourn the meeting from time to time without notice until a quorum is present.

Section 5.13 Vacancies. Any vacancy occurring in the Board may be filled by the affirmative vote of the remaining directors even though it is less than a quorum of the Board, unless otherwise provided by law or the Articles of Incorporation. A director elected to fill a vacancy shall hold office only until the next election of directors by the Members. Any directorship to be filled by reason of an increase in the number of directors shall be filled by election at an annual meeting of Members or a special meeting of Members called for that purpose.

Section 5.14 Removal. At any meeting of Members called expressly for that purpose, any director or directors may be removed from office, with or without cause, by a majority vote of the Voting Members. New directors may be elected for the unexpired terms of directors removed from office at the same meetings at which such removals are voted. If persons to fill the unexpired terms of removed directors are not elected, and, if the Voting Members did not intend to decrease the number of directors to serve on the Board, then the vacancies unfilled shall be filled in accordance with provisions in these By-Laws for vacancies.

Section 5.15 Presumption of Assent. A director of the Association who is present at a meeting of the Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless he or she votes against such action or abstains from voting because of an asserted conflict of interest.

ARTICLE 6

OFFICERS

Section 6.1 Officers. The officers of this Association shall be a **President**, Secretary and Treasurer and may include a Chairman of the Board, one or more Vice Presidents, and other officers and assistant officers, each of whom shall be elected by the Board. Any two or more offices may be held by the same person. Failure to elect a President, Secretary or Treasurer shall not affect the existence of the Association.

Section 6.2 Election and Term of Office. The officers of the Association shall be elected annually by the Board at its meeting after each annual meeting of Members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until his successor shall have been duly elected and shall have qualified, or until his death, or until he shall resign or shall have been removed in the manner hereinafter provided.

Section 6.3 Removal. Any officer may be removed from office at any time, with or without cause, on the affirmative vote of a majority of the Board whenever in its judgment, the best interests of the Association will be served thereby. Removal shall be without prejudice to any contract rights of the person so removed, but election of an officer shall not of itself create contract rights.

Section 6.4 Vacancies. Vacancies in office, however occasioned, may be filled **at** any time by election by the Board for the unexpired terms of such offices.

Section 6.5 Duties. The Chairman of the Board, or the President if there is no Chairman of the Board, shall preside at all meetings of the Board and of the Members. The President shall be the chief executive officer of the Association. Subject to the foregoing, the officers of the Association shall have such powers and duties as usually pertain to their respective offices and such additional powers and duties specifically conferred by law, by the Articles of Incorporation, by these By-Laws, or as may be assigned or delegated to them from time to time by the Board.

Section 6.6 Salaries. The salaries, if any, of the officers shall be fixed from time to time by the Board, and no officer shall be prevented from receiving such salary by reason of the fact that he is also a director of the Association.

Section 6.7 Delegation of Duties. In the absence or disability of any officer of the Association or for any other reason deemed sufficient by the Board, the Board may delegate his powers or duties to any other officer or to any other director.

ARTICLE 7

EXECUTIVE AND OTHER COMMITTEES

Section 7.1 Creation of Committees. The Board may, by resolution passed by a majority of the whole Board, designate an Executive Committee and one or more other committees.

Section 7.2 Executive Committee. The Executive Committee (if there is one) shall consult with and advise the Officers of the Association in the management of its affairs and shall have and may exercise, to the extent provided in the resolution of the Board creating such Executive Committee, such powers of the Board as can be lawfully delegated by the Board.

Section 7.3 Other Committees. Such other committees shall have such functions and may exercise such power of the Board as can be lawfully delegated and to the extent provided in the resolution or resolutions creating such committee or committees.

Section 7.4 Meetings. Regular meetings of the Executive Committee and other committees may be held without notice at **such** time and at such place as shall from time to time be determined by the Executive Committee or such other committees, and special meetings of the Executive Committee or such other committees, may be called by any member thereof upon two (2) days notice to the other members of such committee, or on such shorter notice as may be agreed to in writing by each of the other members of such committee, given either personally or in the manner provided in these By-Laws pertaining to notice for **directors'** meetings.

Section 7.5 Vacancies. Vacancies on the Executive Committee or **on** the committees shall be filled by the Board then in office at any regular or special meeting of the Board.

Section 7.6 Quorum. At all meetings of the Executive Committee or other committees, a majority of the committee's members then in office shall constitute a quorum for the transaction of business.

Section 7.7 Manner of Acting. The acts of a majority of the members of the Executive Committee or other committees present at any meeting at which there is a quorum shall be the act of such committee.

Section 7.8 Minutes. The Executive Committee (if there is one) and the other committees shall keep regular minutes of their proceedings and report the same to the Board when required.

ARTICLE 8

MEMBERSHIP CERTIFICATES

Section 8.1 Form and Issuance. Members of the Association may be issued certificates signed by the President or a Vice President, and by the Secretary or an Assistant Secretary. Each Membership certificate shall state the following: (a) the name of the Association; (b) that the Association is organized under the laws of the State of Louisiana as a nonprofit corporation; (c) the name of the person or persons to whom issued; and (d) the class of Membership. The Membership certificate itself shall convey no rights or privileges, but shall only be for identification.

Section 8.2 Lost, Stolen, or Destroyed Certificates. The Association may issue a new Membership certificate in the place of any certificate previously issued if the Member named in the certificate (a) makes proof in affidavit form that it has been lost, destroyed or stolen; (b) requests the issuance of a new certificate; and (c) satisfies any other reasonable requirements imposed by the Association.

ARTICLE 9

BOOKS, RECORDS AND REPORTS

Section 9.1 Report to Members. The Association may send an annual report to the Members of record of the Association not later than four months after the close of each fiscal year of the Association. Such report shall include a balance sheet as of the close of the fiscal year of the Association and a revenue and disbursement statement for the year ending on such closing date. Such financial statements shall be prepared from and in accordance with the books of the Association.

Section 9.2 Inspection of Corporate Records. Any Member of the Association shall have the right, for any proper purpose and at any reasonable time, on written demand stating the purpose thereof, to examine and make copies from the relevant books and records of accounts, minutes, and records of the Association. Upon the written request of any Member of record, the Association shall mail to such Member a copy of the most recent balance sheet and revenue and disbursement statement, if any. If such request is received by the Association before such financial statements are available for its last fiscal year, the Association shall mail such financial statements as are available. Additionally, balance sheets and revenue and disbursement statements shall be filed in the registered office of the Association in Louisiana, shall be kept for at least five years, and shall be subject to inspection during business hours by any Member in person or by agent.

ARTICLE 10

NONPROFIT OPERATION

The Association will not have or issue shares of stock. No dividends will be paid. No part of the income or assets of the Association will be distributed to its Members, directors or officers without full consideration given therefor. The Association may contract in due course with its Members, directors and officers without violating this provision.

ARTICLE 11

ASSESSMENTS

Section 11.1 Authority to Levy Assessments. The Board shall have the authority to levy and collect Assessments as provided in the Covenants, and in particular, as provided in Article IV of the Act Dedication and Declaration of Covenants, Conditions and Restrictions for The Warehouse District Lofts (A Residential Townhouse Development), recorded under File No. 2010-34150 of the records of the Clerk of Court, which provisions have been adopted and incorporated into the Covenants of each of the other phases of the Subdivision.

Section 11.2 Determination and Payment of Assessment Subject to the limitations contained herein, the Board shall determine the amount of the Assessment annually, but may do so at more frequent intervals should circumstances so require. Upon resolution of the Board, installments of annual Assessments may be levied and collected on a quarterly, semi-annual or annual basis rather than on the monthly basis provided for in the Covenants. Any Member may prepay one or more installments of any Assessment levied by the Association, without premium or penalty.

Section 11.3 Maximum Amount Except as hereafter provided, the maximum Assessment for each Lot ~~subject to Assessment shall not exceed the sum of TWO THOUSAND ONE HUNDRED SIXTY~~ (\$2,160.00) DOLLARS per annum. The maximum annual Assessment for **all** Lots subject to Assessment may be increased by a vote of each Class of Members of the Association, for the year following the year in which the increase is approved and subsequent years, as the Members may decide. Any change made pursuant to this Section 11.3 must have the affirmative vote of each Class of Members representing in the aggregate not less than two-thirds (2/3) of each Class of Members who are voting in person or by proxy, at a meeting called for this purpose. Assessments shall be levied against all Lots subject to assessment equally, regardless of whether or not the owner of a Lot voted against the increase.

Section 11.4 Special Assessments. In addition to the Assessments authorized by the Covenants, the Association may **levy**, in any calendar year after Assessments may be levied, a special assessment or assessments, applicable to that year only, for the purpose of defraying in whole or in part, the costs of any construction or reconstruction, inordinate repair or replacement of a described capital improvement located upon Association Property including the necessary fixtures and movable property related thereto, or for such other purposes as the Board may consider appropriate, provided that any such special assessment shall have the assent of each Class of Members who are voting in person or by proxy at a meeting called for this purpose.

Section 11.5 Notice of Assessment The Board shall make every reasonable effort to fix the amount of the Assessment against each Lot for each Assessment period at least thirty (30) days in advance of such period and shall, at that time, prepare a roster of the Lots and Assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Member upon reasonable notice to the Board. Written notice of the Assessment shall thereupon be sent to the Members. The omission of the Board, before the expiration of any Assessment period, to fix Assessments hereunder for that or the next period shall not be deemed a waiver or modification in any respect of the provisions of this Article or a release of any Member from the obligation to pay the **Assessment**, or any installment thereof, for that or any subsequent assessment period, but the Assessment fixed for the preceding period shall continue until a new Assessment is fixed. No Member may exempt himself from liability for Assessments by a waiver of the use or **enjoyment** of any of the Common Areas or by abandonment of any Lot belonging to him in whole or in part.

Section 11.6 Assessment Certificates. The Association shall, upon demand, furnish to any Member liable for any Assessment levied pursuant to this Article or the provisions of the Act (or to any other party legitimately interested in the same) a certificate in writing signed by an officer of the Association, setting forth the status of said Assessment, i.e., whether the same is paid or unpaid. Such certificate shall be conclusive evidence of the payment of any Assessment therein stated to have been paid. A fee of not more than **FIFTEEN AND NO/100 (\$ 15.00)** DOLLARS may be charged and received by the Association for each such certificate requested in advance of the delivery of the certificate.

ARTICLE 12

FISCAL YEAR

The fiscal year **of** the Association shall **be** the period selected **by** the Board as the taxable year of the Association for federal income tax purposes.

ARTICLE 13

SEAL

The Association may adopt a corporate seal, although **failure to use the corporate seal, if adopted, in connection with any action of the Association shall not invalidate such action.**

ARTICLE 14

INDEMNIFICATION

The Association **shall indemnify each officer and director**, including former **officers and directors**, to the full extent permitted by the Louisiana **Business** Corporation Law and the **Louisiana Nonprofit Corporation Law**.

ARTICLE 15

AMENDMENTS

These **By-Laws may be altered, amended or replaced** and new, **amended or** restated By-Laws may be adopted by the Board; provided that any By-Laws or amendments thereto as adopted by the Board may **be altered, amended or repealed by vote of the Voting Members, or a new By-Law in lieu thereof may be** adopted by the Voting Members. A copy of each amendment to these By-Laws, certified by the Secretary of the Corporation, shall be filed for record in the registered office of the Association.

ARTICLE 16

INSURANCE

The following provisions **shall govern insurance coverage for the Properties and the townhouses situated thereon (the "Building(s))".**

16.1 Authority to Purchase. Except for **Builder's Risk** and other insurance furnished by Warehouse or any Owner during construction, the Association shall purchase, for the benefit of the Owners and their respective Mortgagees, as **their interests may appear, all casualty** insurance policies and, if the Board determines to purchase flood insurance, flood **insurance** policies on the Properties (excluding coverage of additions to, improvements within, and decoration of the townhouses, **unless the Board, in its sole discretion, determines to obtain such coverage**). The Association shall provide for the issuance of certificates of insurance to Mortgagees upon request.

16.2 Coverage. The Association shall at all times, to the extent reasonably available, maintain insurance as follows:

- (a) The Properties, including the Buildings, and all other insurable

improvements upon the Properties (including, without limitation, the Common Areas, but not including contents or property supplied or added by Owners to its Buildings), and all personal property as may be owned by the Association and used in management of the Properties (but not personal property of the Owners) shall be insured against casualty loss in an amount (after application of any deductibles) not less than the full value cost of the **insured** property, exclusive of land, excavations, foundations, and other items normally excluded from such coverage. Such coverage shall afford protection against all risks of direct physical loss commonly insured against including:

(i) Loss or damage by fire, wind and hail and other hazards covered by the standard "extended coverage" endorsements;

(ii) Loss or damage by flood under standard coverage provided by the National Flood Insurance Program, if the Board, in its discretion, determines such coverage to be necessary;

(iii) Such other risks as from time to time customarily shall be covered with **respect** to buildings similar to the Buildings in construction, location, and use, including, but not limited to, vandalism, malicious mischief, and windstorm damage.

(b) Comprehensive general liability insurance, including medical payments insurance, in such form and in such amounts as shall be required by the Board, including, but not limited to, coverage for all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the Common Elements. All liability insurance shall contain cross-liability endorsements to cover liabilities of the Owners as a group to a particular Owner.

(c) Workmen's Compensation Insurance to **meet** the requirements of law;

(d) Fidelity insurance or fidelity bond coverage, in such amounts, and containing such provisions, as may be reasonably required, protecting against acts of dishonesty by the Association's officers, directors, and employees responsible for handling funds, regardless of whether such persons are compensated for their services; and

(e) Insurance covering such other risks and hazards as the Board may from time to time determine necessary.

16.3 Premiums. All premiums upon insurance policies purchased by the Association shall be paid by the Association and shall constitute a portion of common expenses of the Association.

16.4 Insurance Policies. All insurance policies on the Property and Buildings obtained and continued in effect by the Association for the benefit of the Owners, as hereinabove provided,

shall be written in the name of the **Association**, which shall act as trustee for each individual Owner and its Mortgagee or lien holder, if any. The Owners and their Mortgagees or lien holders shall be beneficiaries, even though not expressly named **in** the policies. Each policy shall contain a Louisiana standard mortgage clause in favor of each Mortgagee of the Buildings and shall provide that any loss thereunder shall be payable, to such Mortgagees as their interest may appear, **subject**, however, to general "loss payment" provisions in favor of the Association, as herein provided.

The Association shall be required to make every effort to secure insurance policies providing:

(a) Waivers of subrogation by the insurer as to any and all claims against the Association, its members, officers of the Board, and any of the Owners and their respective employees, servants, agents, tenants, families, and guests;

(b) Waivers to defenses based upon co-insurance or acts of the insured (which shall include each Owner);

(c) That each Owner shall be an insured person under the policy with respect to liability arising out of its ownership of a Building **and/or** of an interest in the Common Elements or membership in the Association;

(d) That the policies shall not be cancelable, invalidated, suspended, or substantially modified for any reason, including on account of the conduct of the Association, its members or the Board, or any of the Individual Owners, their employees, servants, agents, tenants, families, or guests, without at least thirty (30) days prior written notice to each named insured, including Mortgagees of the Owners;

(e) **That** the policies shall not be cancelable or voidable or that recovery thereunder **will** not be conditioned by reason of any act or omission of any Owner, unless acting within the scope of its authority on behalf of the Association;

(f) That the "no other insurance" clause in the policies shall exclude the individual Owners' policies, from consideration; and

(g) That the insurance coverage provided by the policies obtained by the Association shall be primary and shall not be brought into contribution with other insurance in the name of Owners or their Mortgagees.

16.5 Association as Insurance Trustee. The Association is irrevocably designated as trustee for each of the Owners and their Mortgagees, if any, for purposes of adjusting all claims for losses with the insurance carriers on all Policies obtained and continued in effect by the Association, and for purposes of granting and executing releases upon payment of claims, and the Association, shall have full control of the proceeds of any such policies for purposes of repair and reconstruction, as hereinafter provided in Article **XIII**. All insurance policies purchased by the Association pursuant

to this Article XII shall provide that all proceeds from such policies shall be payable to the Association, for the benefit of the Owners and Mortgagees, as their interests may appear.

16.6 Insurance Obtained by Owners. Any Owner may obtain for its own benefit or ~~for~~ the benefit of its Mortgagee, and at such Owner's own expense, separate or additional insurance on the interest in its Building against loss by fire, flood, or other casualty which may or may not be covered by a blanket or master policy obtained and maintained in effect by the Association as hereinabove provided. An individual Owner must also obtain for its own benefit and at its own expense insurance coverage for personal liability and for casualty losses of any improvements made ~~by~~ an owner to the immovable property within its Building, the personal property of the Owner or Occupant situated within the Building and of other portions of the Properties not covered by the master policy. Such insurance may be of the type of coverage generally referred as, or similar to, "contents insurance" or "tenant improvements" and "betterments coverage" and shall contain the waiver of subrogation referred to in Subsection 12.4(a) above.

16.7 Application of Insurance Proceeds. Proceeds of casualty insurance policies received by the Association, as trustee for the Owners and their Mortgagees or lien holders, shall be distributed as provided herein.

ARTICLE 17

RECONSTRUCTION OR REPAIR OF CASUALTY DAMAGE

17.1 Casualty Affecting Common Elements and Buildings. In the event of destruction or damage to any part of the Buildings and the Common Elements, reconstruction and repairs shall be made as follows:

(a) If the Board determines that less than two-thirds of the total square footage of all of the Buildings are rendered uninhabitable as a result of a fire or other casualty that damages or destroys one or more of the Buildings, the Association shall arrange for the prompt repair and restoration thereof unless (i) such reconstruction and replacement will be illegal under state or local health or safety statutes or ordinances, or (ii) the members of the **Association**, by a majority vote of the votes of the Association, elect not to rebuild. If it is determined that such Building(s) is (are) not to be reconstructed or repaired then that part of the Properties not to be repaired may be withdrawn from the townhouse regime.

(b) If the Board determines that more than two-thirds of the total square footage of all of the Buildings are rendered uninhabitable as a result of a fire or other casualty that damages or destroys the **Building(s)**, the Association shall not repair the damage or restore the Building unless (i) the members of the Association, by a majority vote of the votes of the **Association**, elect to rebuild, and (ii) such reconstruction and replacement would be permitted under state or local health or safety statutes or ordinances. If it is determined that such Building(s) is (are) not to be reconstructed or repaired, then the part of the Property not to be repaired shall be withdrawn from

the townhouse regime.

(c) Any restoration or repair shall be substantially in accordance with (i) the plans of the original Building(s) so restored or repaired or (ii) the plans and specifications approved by the Board and the members of the Association by a majority vote of the votes of the Association.

Repairs and restoration of the Building(s) as provided herein shall include any damaged Buildings therein to the extent that portions of such Buildings are covered under the blanket or master fire and casualty policy or policies carried by the Association.

(d) If damage resulting from a casualty is to be repaired in accordance with the foregoing provisions, after the occurrence of a casualty causing damage to more than one Building or any portion of both the Common Elements and any one or more of the Building, the Association shall obtain reliable and detailed estimates of the cost of repairs or replacements so as to place the damaged property in a condition as good as that existing before the casualty. The Board, acting as trustee, shall disburse the proceeds of **all** insurance policies to contractors engaged **in** such repair and restoration through appropriate progress payments. Any excess of insurance proceeds over the costs of such repairs and restoration shall be distributed to Owner of the damaged Building(s), or if there is a mortgagee **endorsement**, then jointly to each such Owner and Mortgagee of such Owner. Any costs of such repairs and restoration in excess of available insurance proceeds shall constitute a Common Expense, **and** the Board shall make Assessments against all Owners in sufficient amounts to provide funds to pay the estimated costs of repairs and reconstruction of damaged or destroyed Building(s). Additional Assessments may be made at any time during or following the completion of construction. All such Assessments shall be divided among the owners in accordance with each Owner's Share of ownership of the total number of Buildings in the development.

(e) If the entire Building(s) is not repaired or replaced, (i) the insurance proceeds attributable to the damaged Building, shall be used to restore the damaged Building to a condition compatible with the remainder of the townhouse development unless that part of the property is terminated, in which case none of the insurance proceeds shall be applied to restoration, (ii) the insurance proceeds attributable to Building(s) that are not rebuilt shall be distributed to the Owners of those Buildings.


17.2 **Loss of Use.** Neither **Declarant**, the **Association**, nor any Owner shall be obligated to compensate any Owner for loss of use and occupancy of its Building pending reconstruction.

17.3 **Casualty Affecting Units Exclusively.** If damage or destruction occurs only to those parts of one or more Buildings for which the responsibility of maintenance and repair is that of the individual Owner, then the Owner shall be responsible for reconstruction and repair or replacement after casualty. If any portion of the insurance proceeds payable to the Association upon occurrence of a casualty covered under the blanket or master policy is payable on account of damages the reconstruction and repair of which is the responsibility of the individual Owner, then the Association shall pay over such portion of any insurance proceeds to the Owner, or if there is a


mortgagee endorsement, **then** to the Owner and Mortgagee jointly, who shall use such proceeds for repair and reconstruction of the damaged or destroyed portions of the Building substantially in accordance with the original plans and specifications of the Building or in accordance with such other plans and specifications as may be approved by the Board.

17.4 Loss of Use. Neither **Declarant**, the Association, nor any Owner shall be obligated to compensate any Owner for **loss** of use and occupancy of its Building pending reconstruction or termination of the Townhouse regime.

IN WITNESS WHEREOF, the undersigned, being the Secretary of the Association as of this date, has executed this act on the 24th day of August, 2010.


RUTH ANN MENUTIS, Secretary

ATTEST:


DIMITRI MENUTIS, President