

Audubon Trace Property Owners Association 2006-2007

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By-Laws
of
Audubon Trace Property Owners Association, Inc.
A Louisiana Non-Profit Corporation

Article I

Section 1. Definitions. The definitions contained in Article I of the Declaration of Covenants, Conditions and Restrictions of Audubon Trace Subdivision and recorded with the Clerk of Court for East Baton Rouge Parish, Louisiana (the "**Declaration**"), apply to these By-Laws.

Section 2. Association Membership. Every Owner of a Lot (Association Membership and operation pursuant to By-Laws) in Audubon Trace Subdivision shall be deemed to have a membership in Audubon Trace Property Owners Association, Inc. (the "**Association**"). Membership shall be appurtenant to and may not be separated from Ownership of any Lot. If the Ownership of a Lot is transferred or otherwise conveyed, the membership in the Association which is appurtenant thereto shall automatically pass to such transferee, notwithstanding any failure of the transferor to endorse to his transferee any certificates or other evidences of such membership. The foregoing is not intended to include Mortgagees or any other persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate or otherwise effect an Owner's membership in the Association. Notwithstanding any of the foregoing to the contrary, no Owner, whether one or more persons, shall have more than one membership per Lot. In the event of multiple Owners of a Lot, votes and rights of use and enjoyment shall be as provided herein. The rights and privileges of membership, including the right to vote and to hold an office in the Association, may be exercised by a member or member's spouse, but in no event shall more than one vote be cast or more than one office held by each Lot. When more than one person holds an interest in any Lot, the vote for such Lot shall be exercised as those Owners of such Lot themselves determine and as they advise the Secretary of the Association prior to any meeting. In the absence of such advice, the vote appurtenant to such Lot shall be suspended in the event more than one person seeks to exercise it. Each Lot shall have one vote.

Section 2. Membership. Any action which may be taken at a meeting of the Members may be taken by written consent signed by all of the Members having voting power on the particular question, which consent shall be certified by the Secretary and filed with the Secretary of the Association.

Section 3. Purpose of the Association. The Association is formed to provide for the maintenance, control and preservation of the subdivision and to promote the health, safety and welfare of the Owners of the Lots in the subdivision.

Article II
Board of Directors

Section 1. Composition. The affairs of the Association shall be governed by a Board of Directors of not less than 3 nor more than 5 Directors. The Association, subject to the rights of S Lazy S Development Company, L.L.C. ("Declarant") and the rights and duties of the Owners set forth in the Declaration, shall be responsible for the exclusive management and control of the Common Areas and all improvements thereon (including furnishings and equipment related thereto) and shall keep the same in a good, clean, attractive and sanitary condition, order and repair, pursuant to the terms and conditions thereof. Except to the extent otherwise required by the provisions of Louisiana Corporation Law, the powers outlined herein or otherwise granted to the Association may be exercised by the Board of Directors, acting through the officers of the Association, without any further consent or action on the part of the Owners. As provided in Section 3.5 of the Declaration and notwithstanding any other provision to the contrary contained in any instruments evidencing or establishing Audubon Trace Subdivision, Declarant shall have the right to appoint or remove any member or members of the Board of Directors or any officer or officers of the Association until such time as the first of the following events shall occur: (a) the surrender by Declarant of the authority to appoint and remove directors and officers of the Association by an express amendment to the Declaration executed and recorded by the Declarant; (b) the moment that all Lots in the Property have been conveyed by the Declarant to non-Declarant Owners; or (c) December 31, 2006 (hereinafter, the "**Appointment Period**"). Each Owner, by acceptance of a deed to or other conveyance of a Lot, vests in Declarant such authority to appoint and remove directors and officers of the Association as provided by this paragraph and by the Declaration.

Section 2. Election of Board of Directors. Subject to the rights of the Declarant to appoint or dismiss the members of the Board of Directors, Directors shall be elected annually by the Owners at the Association's annual meeting for one (1) year terms.

Section 3. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association, except such powers and duties as by law or by the Declaration or the Articles of Incorporation of the Association, or by these By-Laws may not be delegated to the Board of Directors by the Owners. The powers and duties to be exercised by the Board of Directors shall include, but shall not be limited to, the following:

- (a) Operation, care, upkeep and maintenance of the Common Areas;
- (b) Determination of the amounts of funds required for operation, maintenance, and other affairs of the Association;
- (c) Collection of the Assessments and common charges from the Owners;
- (d) Employment and dismissal of the personnel, as necessary, for the efficient maintenance and operation of the Association;
- (e) Adoption and amendment of rules and regulations covering the details of the operation of the Association;
- (f) Opening of bank accounts on behalf of the Association and designating the signatories required therefor;

(g) Obtaining insurance for the Association property, pursuant to the provisions of the Declaration and these By-Laws;

(h) Making of repairs, additions, and improvements to, or alterations of, the Association property, in accordance with the provisions of the Declaration; and

(i) Entering into agreements to provide for the construction and maintenance of utilities and drainage facilities; and

(j) Appointment and dismissal of members of the Architectural Review Committee which shall be governed by Article 8 of the Declaration, provided however, that the initial Architectural Review Committee shall consist of the members of the Board of Directors, each of whom shall serve for a period of one (1) year from the date hereof.

Section 4. Manager. The Board of Directors may employ for the Association a manager at a compensation that the Board of Directors shall establish and authorize. The Board of Directors may delegate to the manager or managing agent, all of the powers granted to the Board of Directors by the Declaration and these By-Laws other than the powers set forth in subdivisions (b), (e), (f), (g) and (i) of Section 3 of this Article II.

Section 5. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director, by mail, hand delivery, facsimile, or telegraph, at least (3) business days prior to the day of such meeting.

Section 6. Special Meetings. Special meetings of the Board of Directors may be called by a majority of the members of the Board of Directors on three (3) business day's notice to each director, given by mail, facsimile or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors may be called by the President or Secretary in like manner.

Section 7. Waiver of Notice. Any director may, at any time, waive notice of any meeting of the Board of Directors in writing, and such waiver shall be deemed equivalent to giving of such notice.

Section 8. Quorum of Board of Directors. If half of the total number of directors are represented at a meeting of the Board of Directors, a quorum shall be considered to be present. A majority vote of the directors represented at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting to a specific future time. And such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 9. Fidelity Bonds. The Board of Directors may obtain adequate fidelity bonds for such officers and employees of the Association handling or responsible for Association funds. The premiums on such bonds shall constitute a common expense.

Section 10. Informal Action. Any action which may be taken at a meeting of the Board of Directors may be taken by written consent signed by all of the directors and filed with the secretary of the Association.

Article III Officers

Section 1. Designation. The principal officers of the Association shall be the President, Vice President, the Secretary, and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may elect such other officers as in its judgement may be necessary.

Section 2. Election of Officers. Subject to the rights of the Declarant to appoint or remove officers, Officers shall be elected annually by the Board of Directors. In the event of the death, resignation, or disability of an officer, his successor may be elected at any regular meeting of the Board of Directors called for such purpose.

Section 3. Removal of Officers. Any officer may be removed by a vote of the majority of the Board of Directors, either with or without cause, and his successor may be elected at any regular meeting of the Board of Directors. He shall have all of the general powers and duties which are incident to his office and shall perform all of the duties assigned by the Board of Directors.

Section 4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Owners and of the Board of Directors. He shall have all of the general powers and duties which are incident to his office and shall perform all of the duties assigned by the Board of Directors.

Section 5. Vice-President. The Vice-President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board of Directors shall appoint some member of the Board of Directors to act in the place of the President on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be assigned to him by the Board of Directors or by the President.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Lot Owners and of the Board of Directors. He shall be in charge of such books and papers as Board of Directors may direct, shall give notice in conformity with these By-Laws of any and all meetings, and shall also perform all other duties assigned to him by the Board of Directors.

Section 7. Treasurer. The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial records and books of account and for the preparation of all required financial statements, including an itemized record of all receipts and expenditures, as well as a separate account for each Lot which shall indicate the name and address of the Owner, the amount of each assessment for expenses against such Lot, the date when due, the amount paid thereon, and the balance remaining unpaid. He shall be responsible for the deposit of all moneys and other valuable effects in the name of the Association in such depositories as may from time to time be designated by the Board of Directors, and he shall, in general, perform all other duties assigned to him by the Board of Directors.

Section 8. Agreements, Contracts, Deeds, Checks, etc.. All agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by any two officers of the Association or by such other person or persons as may be designated by the Board of Directors.

Section 9. Compensation of Officers. No officer shall receive any compensation from the Association for acting as such.

Article IV **Operation of the Property**

Section 1. Computation of Annual Assessments. It shall be the duty of the Board of Directors, at least thirty (30) days prior to the Association's annual meeting, to prepare a budget covering the estimated Common Expenses during the coming year, such budget to include a capital contribution or reserve account if necessary for the capital needs of the Association. The Board shall cause the budget and the proposed total of the annual Assessments to be levied against Lots for the following year to be delivered to each Owner at least fifteen (15) days prior to such meeting. The total annual Assessments shall be divided among the Lots equally, so that each Lot shall be subject to equal annual assessments. The Budget and the annual Assessments shall become effective unless disapproved at the annual meeting by either (i) Declarant, for so long as Declarant has the authority to appoint and remove directors and officers of the Association, or (ii) a vote of the majority of the votes of the Owners who are voting in person or by proxy at such meeting (provided that it shall require a vote of at least fifty-one per cent (51 %) of the total membership to disapprove the budget). Notwithstanding the foregoing, in the event the proposed budget is not approved or the Board fails for any reason to determine the budget for the succeeding year, then and until such time as a budget shall have been determined as provided herein, the budget and annual Assessments in effect for the then current year shall be increased by the factor provided, in the Consumer Price Index (all Urban Consumers, United States City Average, All Items 1967-69 = 1 00), or its successor index, and such increased budget shall be implemented for the succeeding year, until a new budget shall have been approved as provided above. If any budget at any time proves inadequate for any reason, then the Board may call a meeting of the Association for the approval of a special Assessment as provided in Section 2 hereof. The Common Expenses to be funded by the annual Assessments may include, but shall not necessarily be limited to, the following:

- (i) management fees and expenses of administration, including legal and accounting fees and insurance premiums;
- (ii) utility charges for utilities serving the Common Areas and charges for other common services for the Development, including trash Collection and security services, if any such services or charges are provided or paid by the Association;
- (iii) the expenses of maintenance, operation, and repair of those portions of the Common Areas which are the responsibility of the Association under the provisions of the Declaration including the maintenance of the drainage facilities;
- (iv) the expenses of maintenance, operation, and repair of other amenities and facilities serving the subdivision, the maintenance, operation and repair of which the Board from time to time determines to be in the best interest of the Association;
- (v) the expenses of the Architectural Review Committee which are not defrayed by plan review charges;
- (vi) ad valorem real and personal property taxes assessed and levied against the Common Areas;
- (vii) the expenses for conducting recreational, cultural, or other related programs for the benefit of the Owners and their families, tenants, guests and invitees;
- (viii) such other expenses as may be determined from time to time by the Board of Directors of the Association to be Common Expenses, including, without limitation, taxes and governmental charges not separately assessed against Lots; and
- (ix) the establishment and maintenance of a reasonable reserve fund or funds (A) for inspection, maintenance, repair, and replacement of those portions of the Common Areas which are the responsibility of the Association and which must be inspected, maintained, repaired, or replaced on a periodic basis, (B) to cover emergencies and repairs required as a result of casualties which are not funded by insurance proceeds, and (C) to cover unforeseen operating contingencies or deficiencies arising from unpaid assessments or liens, as well as from emergency expenditures and other matters, all as may be authorized from time to time by the Board of Directors.

Section 2. Special Assessments. In addition to the annual Assessments authorized above, the Association, acting through its Board of Directors, may levy, in any Assessment Year, special Assessments for Common Expenses, applicable to that year only, provided that except as otherwise permitted in Article 7 of the Declaration and such Assessment shall be approved by (i) Declarant, for so long as Declarant owns any Lot primarily for the purpose of sale, and (ii) by a majority of the votes of the Owners who are voting in person or by proxy at a meeting duly called for this purpose in accordance with the provisions of this Article IV, Section 4. The Board of Directors may make such special Assessments payable in installments over a period which may, in the Board's discretion, extend in excess of the fiscal

year in which adopted. Such special Assessments are to be pro-rated among the Lots equally as provided with respect to annual Assessments.

Section 3. Individual Assessments. Any expenses of the Association occasioned by the conduct of less than all of the Owners or by the family, tenants, agents, guests, or invitees of any Owner shall be specially assessed against such Owner and his respective Lot. The individual Assessments provided for in this Article IV, Section 3 shall be levied by the Board of Directors, and the amount and due date of such assessment so levied by the Board shall be specified by the Board.

Section 4. Notice of Meeting and Quorum. Written notice of the annual meeting of the Association, as well as any other meeting called for the purpose of taking any action authorized under Article IV, Sections 1 and 2 hereof, shall be sent to all members not less than fifteen (15) days nor more than forty-five (45) days in advance of such meetings. With respect to annual meetings, the presence of members or proxies entitled to cast over fifty per cent (50%) of all the votes of the Association 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 the presence in person or by proxy of members having one-third (1/3) of the total votes of the Association. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 5. Liens. All sums assessed against any Lot pursuant to this Declaration, together with court costs, reasonable attorneys' fees, late charges, and interest as provided herein, shall be secured by an equitable charge and continuing lien on such Lot in favor of the Association.

Section 6. Effect of Nonpayment; Remedies of the Association. Any Assessments of an Owner or any portions thereof which are not paid when due shall be delinquent. Once any Assessment or any portion thereof has become delinquent, the Association may file a notice of same in the records of the Clerk of Court of East Baton Rouge Parish. Any Assessment delinquent for a period of more than ten (10) days after the date when due shall incur a late charge in an amount as may be determined by the Board from time to time and shall also commence to accrue simple interest at the rate of twelve per cent (12%) per annum. A lien and equitable charge as herein provided for each Assessment shall attach simultaneously as the same shall become due and payable, and if an Assessment has not been paid within thirty (30) days, the entire unpaid balance of the Assessment may be accelerated at the option of the Board and be declared due and payable in full. The continuing lien and equitable charge of such Assessment shall include the late charge established by the Board of Directors, interest on the principal amount due at the rate of twelve per cent (12%) per annum, all costs of collection (including reasonable attorneys' fees and court costs), and any other amounts provided or permitted hereunder or by law. In the event that the Assessment remains unpaid after sixty (60) days from the original due date the Association may, as the Board shall determine, institute suit to collect such amounts and to foreclose its lien. The equitable charge and lien provided for in this Article shall be in favor of the Association, and each Owner, by his acceptance of a deed or other conveyance to Lot, vests in the Association and its agents the right and power to bring all actions against him personally for the collection of such Assessments as a debt and/or to foreclose the aforesaid lien in the same manner as other liens for the improvement of immovable property. The Association shall have the power to bid on the

Lot at any foreclosure sale and to acquire, hold, lease, mortgage, and convey the same. No Owner may waive or otherwise escape liability for the Assessments provided for herein, including by way of illustration but not limitation, non-use of the Common Areas or abandonment of his Lot, and an Owner shall remain personally liable for Assessments, interest, and late charges which accrue prior to a sale, transfer, or other conveyance of his Lot.

Section 7. Certificate. The Treasurer, any assistant Treasurer, or the manager of the Association shall, within ten (10) days of a written request and upon payment of such fee as is from time to time determined by the Board of Directors, furnish to any Owner or such Owner's mortgagee which requests the same, a certificate in writing signed by said Treasurer, Assistant Treasurer or manager setting forth whether the Assessments for which such Owner is responsible have been paid, and, if not paid, the outstanding amount due and owing, together with all fines, accrued interest, and other penalty charges. Such certificate shall be conclusive evidence against all but such Owner of payment of any Assessments stated therein to have been paid.

Section 8. Date of Commencement of Annual Assessments. The annual Assessment provided for herein shall commence as to each Lot on the day on which such Lot is conveyed to a person other than Declarant and shall be due and payable in such manner and on such schedule as the Board of Directors may provide. Annual Assessments and any outstanding special Assessments shall be adjusted for such Lot according to the number of days then remaining in the month in which such Lot is first conveyed. Annual and special Assessments for Lots in portions of the Additional Property hereafter submitted to the terms of the Declaration shall commence with respect to each such Building on the later of (i) the day on which such Lot is conveyed to a person other than Declarant or (ii) the day of the recording of the amendment to the Declaration so submitting such parcels, and annual and special Assessments for each such Lot shall be adjusted according to the number of months then remaining in the fiscal year of the Association and the number of days then remaining in the month in which such Lot is first conveyed. Any thing contained herein to the contrary notwithstanding, Declarant shall not be responsible for the payment of annual or special Assessments on Lots which it or its affiliates owns and which do not contain occupied residences, provided that Declarant covenants and agrees to pay annual and special Assessment for each Lot owned by Declarant or an affiliate and containing residences (except as hereinafter provided). Furthermore, Declarant shall have the option to either pay annual Assessment on the Lots owned by Declarant or fund any deficit which may exist between Assessments and the annual budget of the Association for so long as Declarant has the authority hereunder to appoint and remove directors of the Association, provided, however, that the budget, Assessments, and deficit, if any, shall be annually reviewed by Declarant, and the Board of Directors, and during such period Declarant's obligation for funding deficits shall only be up to the amount of the Association's budget. Provided that upon Declarant no longer having authority to appoint Directors or Officers of the Association, Declarant shall be obligated to pay Assessments on all Lots owned by Declarant.

Article V Arbitration

Section 1. Arbitration. Any disputes or controversies among Owners arising under these By-Laws or under the Declaration shall be submitted to the Board of Directors for decision. The Board of Directors is required to issue its decision on such matters within thirty (30) days after the controversy or dispute is submitted by any Owner. The submission of any such dispute or controversy to the Board of Directors shall be an express condition precedent to the institution of any legal action or proceeding.

Article VI

Records

Section 1. Records. The Board of Directors shall keep detailed records of the actions of the Board of Directors, minutes of the meetings of the Board of Directors, the meetings of the Owners, and financial records and books of account of the association, including a chronological listing of receipts and expenditures, as well as a separate account for each Owner, the amount of each Assessment for Common Expenses and expenditures, date when due, the amounts paid thereof, and the balance remaining unpaid. In addition, an annual report of the receipts and expenditures of the Association shall be rendered by the Board of Directors to all Owners, and to all mortgagees of Lots who have requested such annual report, promptly after the end of each fiscal year.

Article VII

Miscellaneous

Section 1. Notices. All notices to the Board of Directors or the Association shall be sent by registered or certified mail to such address as the Board of Directors may hereafter designate from time to time or hand-delivery. All notices to any Owner shall be sent registered or certified mail to such address as shall be designated by him in writing to the Board of Directors or hand-delivery. All notices to mortgagees of Lots shall be sent by registered or certified mail to their respective addresses, as designated by them from time to time, in writing to the Board of Directors.

Section 2. Invalidity. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these By-Laws.

Section 3. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these By-Laws, or the intent of any provisions thereof.

Section 4. Gender. All provisions herein include the male, female, and neuter genders and include the singular and plural numbers as the case may be.

Section 5. Waiver. No restrictions, conditions, obligations, or provisions contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce it, irrespective of the number of violations or breaches thereof which may occur.

Section 6. Indemnification. The Association shall indemnify its directors and officers to the full extent permitted by La. R.S. 12:227.

Article VIII Amendments to By-Laws

Section 1. Amendment to By-Laws. These By-Laws may be modified or amended by the vote of two-thirds of the total authorized votes for all Lots ~~present~~ at a meeting of Owners called for such purposes, provided, however, that during the Appointment Period, Declarant shall have the right to modify or amend these By-Laws without the consent of the Owners of the Lots. The notice of such a meeting must be mailed to all Owners at least ten (10) days prior to the scheduled date for the meeting and the notice must set forth the proposed amendment.

These By-Laws are unanimously adopted by the Board of Directors of the Association by this unanimous written consent of the Board of Directors in lieu of a meeting on the _____ day of October, 2003

Sylvia S. Duke

Sue Sullivan Howes

A. Eugene Duke