

**BY-LAWS
OF THE
FOX RUN OWNERS ASSOCIATION
(AS ADOPTED BY LOT OWNERS ON JUNE 25, 1988)**

ARTICLE I

**Members
(Lot Owners)**

Section 1 The Fox Run Owners Association, a Louisiana nonprofit corporation, shall have one class of membership consisting of the respective Lot Owners of Fox Run Estates Subdivision (called Property) located in St. Tammany Parish, Louisiana. The words "Member" or "Members" as used in these By-Laws mean and shall refer to "Lot Owner" or "Lot Owners" as the case may be.

Section 2 There shall be one person with respect to each lot ownership who, if in good standing on assessments, shall be entitled to vote at any meeting of the Lot Owners. Such person shall be known (and hereinafter referred to) as a "Voting Member." Such Voting Member may be the owner or one of the group composed of all the owners of a lot ownership, or may be some person designated by such owner or owners to act proxy on his or their behalf and who need not be an owner. Such designation shall be made in writing to the Board and shall be revocable at any time by written notice to the Board by the owner or owners. Any or all of such owners may be present at any meeting of the Voting Members and (those constituting a group acting unanimously) may vote or take any other action as a Voting Member either in person or by proxy, but in no event shall more than one (1) vote be cast with respect to any Voting Member. The total number of votes of all Voting Members shall be the same as the number of lots in Fox Run Estates Subdivision, excepting lots excluded from assessments in the Fox Run Estates Restrictions and Agreement of Maintenance. Also, lots which are more than three (3) months past due on payment of assessments will lose voting privilege until assessments plus fees are paid in full. The total number of votes or Voting Members at a homeowners' meeting or for consideration of other matters requiring a vote or action by members shall be the same as the number of lots where assessment accounts are in good standing.

Section 3 Meetings of the Voting Members shall be held at such place in the Parish wherein the Property is situated, as may be designated in any notice of a meeting. The presence in person or by proxy at any meeting of Voting Members having a majority of the total votes shall constitute a quorum. Unless otherwise expressly provided herein, any action may be taken at any meeting of the Voting Members at which a quorum is present upon the affirmative vote of the Voting Members having a majority of the total votes present at such meeting.

(a) The initial meeting of the Voting Members shall be held upon ten (10) days' written notice given by the developer. Thereafter, there shall be

an annual meeting of the Voting Members on the first Monday of February of each succeeding year thereafter, or at such reasonable time as may be designated by written notice of the Board delivered to the Voting Members not less than ten (10) days prior to the date fixed for said meeting.

(b) Special meetings of the Voting Members may be called at any time for the purpose of considering matters which, by the terms of the By-Laws, require the approval of all or some of the Voting Members or for any other reasonable purpose. Said meetings shall be called by written notice, authorized by a majority of the Board, or by the Voting Members having one-half (1/2) of the total votes and delivered not less than ten (10) days prior to the date fixed for said meeting. The notices shall specify the date, time, and place of the meeting and the matters to be considered.

(c) Notices of meeting required to be given herein may be delivered either personally or by mail to the persons entitled to vote at such meetings, addressed to each such person at the address given by him to the Board for the purpose of service of such notice.

ARTICLE II

Officers and Board of Directors

Section 1 At regular or special meetings, the Voting Members shall elect officers consisting of four (4) members and hereinafter called Board of Directors. Each Director shall hold office for the term of one (1) year plus any partial year term and until his successor shall be elected and qualified, excepting Directors who have resigned in writing or have been removed from office as provided for in these By-Laws. Directors shall receive no compensation for their services, unless expressly allowed at the direction of the Voting Members having three-fourths (3/4) of the total votes. Vacancies on the Board shall be filled by election or appointment. Except as otherwise provided in the By-laws, the Property shall be managed by the Board and the Board shall act by majority vote of those present at its meetings when a quorum exists. A quorum will exist when three (3) Board members, or designated proxies in accordance with the Articles of Incorporation, are present at a duly called meeting. The President, the Vice President, and the Treasurer, or their designated proxies, will be the voting Board members and may vote on matters requiring a vote by the Board. The Secretary shall vote only in the absence of one of the voting Board members and their proxy, thus preserving three voting members and a quorum. Meetings of the Board may be called, held, and conducted in accordance with such regulations as the Board may adopt.

Section 2 Officers to be elected from among members shall be: A President who shall preside over both Board meetings and those of the Voting Members, and who shall be the Chief Executive Officer of the Board; a Secretary who shall keep the minutes of all meetings of the Board and of the Voting Members and who shall, in general, perform all the duties incident to the office of Secretary; a Treasurer to keep the financial records and books of account; and a Vice President who shall aid and act in place of the President during his absence.

Section 3 Any Board member, or members of any committee established by the Board, may be removed from office by a petition signed by a majority of Voting Members, or by majority vote of Voting Members present at a duly called meeting where a quorum exists. The Board may appoint members to or remove members from committees which the Board may establish from time to time. Board vacancies

may be filled by unanimous vote of the voting Board members, or remaining Board members, including the Secretary, or through majority vote of the Voting Members present at a duly called meeting where a quorum exists. When Board vacancies are filled by the Board as provided for herein, the Board must notify voting lot owners of such action. If a majority of voting lot owners have not objected in writing to such appointment within fourteen (14) days after the notice has been placed in the U. S. Mail, then the new Board member will be allowed to serve as if he had been duly elected by lot owners.

Section 4 All agreements, contracts, leases, vouchers for payment of expenditures, and other instruments shall be signed by the President or Vice President and countersigned by the Secretary or Treasurer.

Section 5 The Board shall have the following additional powers and duties:

(a) To appoint an Architectural Control Committee (ACC) to carry out duties as outlined in the "Fox Run Estates Restrictions and Agreement of Maintenance," hereinafter referred to as the Fox Run Restrictions. The ACC will consist of three (3) members, or otherwise as may be designated by the Fox Run Restrictions. The Board should give consideration to appointing an architect, a builder, an engineer, a designer, or similar person trained in the reading of drawings as a member of the ACC.

Voting Board members and members of their immediate households are not to serve on the ACC. Also, the Board may pre-appoint a fourth or fifth alternate person(s) to serve in lieu of a regular ACC member(s) when a matter being considered by the ACC deals with property owned by a regular member(s) of the ACC. The regular member(s) should remove themselves from consideration of such matters and request the alternate member(s) to serve as the three member ACC during consideration of such matter. Excepting for matters dealing with ACC member-owned property, any member of the ACC absent from a meeting of the committee may be represented by any other person including the alternate member(s) who may cast the vote of the absent member according to the written instructions, general or special, of the absent member. The affirmative vote of a majority of the members of the ACC, or their designated proxies, shall be required for action on matters in accordance with the Fox Run Restrictions. Meetings of the ACC may be called, held, and conducted in accordance with such regulations as the ACC may adopt but such regulations are not to be in conflict with the Fox Run Restrictions.

(b) To adopt rules and regulations, with written notice thereof to all Lot Owners, governing the administration, management, maintenance, operation, use, conservation, and beautification of the Property and for the health, comfort, safety, and general welfare of the Lot Owners, to appoint other committees, and to amend such rules and regulations from time to time.

(c) To enforce all provisions of the Fox Run Restrictions and to aid the ACC in carrying out its duties as may be requested by the ACC.

(d) To provide for the designation, hiring, and removal of employees and other personnel, including lawyers and accountants, and to make purchases for the maintenance, repair, replacement, administration, management, and operation of the property.

(e) To estimate the amount of the annual budget, and to provide the manner of assessing and collection from the Lot Owners their respective shares of such estimated expenses as hereinafter provided.

(f) To pay out of the maintenance fund hereinafter provided for the following:

(f1) Water and sewerage, waste removal, electricity, and other necessary utility services for the Subdivision (if not separately metered or charged) for the lots and for insurance and property taxes.

(f2) The services of any person or firm engaged or employed by the Board.

(f3) Materials needed for maintenance.

(f4) Other costs which are necessary or reasonable in carrying out its responsibilities.

(g) To comply with the instructions of a majority of the Lot Owners as expressed in a resolution duly adopted at any annual or special meeting of the Lot Owners.

(h) To exercise all other powers and duties of the Board or Lot Owners as a group referred to in the Restrictions and these By-Laws or the Louisiana or St. Tammany Parish laws.

ARTICLE III

Assessments

Section 1 Each year on or before December 1, the Board shall estimate the total amount necessary to pay the cost of wages, materials, insurance, services, and supplies which will be required during the ensuing calendar year, together with a reasonable amount considered by the Board to be necessary for a reserve for contingencies and replacements, and shall, on or before December 15, notify each Lot Owner in writing as to the amount of such estimate, with reasonable itemization thereof. Said "estimated cash requirement" shall be assessed to each Lot Owner or Owners. The yearly amount so determined may be billed and each Lot Owner shall pay in twelve (12) equal payments, four (4) quarterly payments, semiannual payments, or yearly payments, as the Board may direct. On or before the date of the annual meeting of each calendar year, the Board shall supply to all Lot Owners an itemized accounting of the maintenance expenses for the preceding calendar year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the estimates provided, and showing the next amount over or short of the actual expenditures plus reserves. Any amount accumulated in the excess of the amount required for actual expenses and reserves shall be credited to the next year's estimate.

Section 2 The Board shall establish and maintain a reasonable reserve for contingencies and replacements. The Board may adjust this upward or downwards from time to time in order to provide a reasonable reserve for contingencies and replacement. Extraordinary expenditures not originally included in the annual estimate which become necessary, shall be charged first against such reserve. If said "estimated cash requirement" proves inadequate for any reason, including nonpayment of any Owner's assessment, the Board may at any

time levy a further assessment, which shall be assessed to the Lot Owners. The Board shall serve notice of such further assessment on all Lot Owners by a statement in writing giving the amount and reasons therefore, and such further assessment shall become effective ten (10) days after the delivery or mailing of such notice of further assessment. All Lot Owners shall be obligated to pay any reasonable additional assessment.

Section 3 When the first Board elected hereunder takes office, it shall determine the "estimated cash requirement," as hereinabove defined, for the period commencing immediately after said election and ending on December 31 for the calendar year in which said election occurs. Assessments shall be levied against the Lot Owners for said period, and the first payment shall be due on the first day of the month following the meeting.

Section 4 The failure or delay of the Board to prepare or serve the annual or adjusted estimate on the Lot Owners shall not constitute a waiver or release in any manner of the Lot Owners' obligations to pay the maintenance costs and necessary reserves, as herein provided.

Section 5 The Board shall keep full and correct books of account in chronological order of the receipts and expenditures specifying and itemizing the maintenance and repair expenses and any other expenses incurred. Such records and the vouchers authorizing the payments shall be available for inspection by any Lot Owner duly authorized in writing, at such reasonable time or times during normal business hours as may be requested by the Lot Owner. Upon ten (10) days' notice to the Board and payment of a reasonable fee, any Lot Owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner.

Section 6 If a Lot Owner is in default in the payment of the aforesaid charges or assessments for thirty (30) days, the members of the Board may assess interest on amounts due at the rates of one and one-half (1-1/2) percent per month for each month the assessment and accrued interest has not been paid. For assessments past due for six (6) months, the Board may contract with collection agents or may bring suit for and on behalf of themselves and as representatives of all Lot Owners, to enforce collection thereof, or to foreclose a lien therefore, as hereinabove provided; and there shall be added to the amount due the costs of said collection agent or suit, and other fees and expenses together with interest and reasonable collection or attorney's fees. To the extent permitted by any decision or any statute or law now or hereafter effective, the amount of any delinquent and unpaid charges or assessments and interest, cost and fees as above provided shall become a lien or charge against the lot ownership of the Lot Owner involved and may be foreclosed by any action brought in the name of the Board as in the case of foreclosure of liens against real estate. Said lien shall take effect and be in force when and as provided in Louisiana law.

Section 7 No Lot Owner or lot interest, except as exempted in the Fox Run Restrictions, may waive or otherwise escape liability for the assessments provided for herein by non-use of or abandonment of his lot.

ARTICLE IV

General Provisions - Rules and Regulations

Section 1 The use, maintenance, and operation of the Community Property shall not be obstructed, damaged, or unreasonably interfered with by any Lot Owner, nor shall anything be placed or stored in or upon the Community Property without the prior consent of the Board. Each Lot Owner shall be obligated to maintain and keep in good order and repair his own lot and to keep lot mowed, trimmed, and free of trash on a regular basis.

Section 2 Nothing shall be done or kept in any lot or in the Community Property which will increase the rate of insurance without the prior written consent of the Board. No Lot Owner shall permit anything to be done or kept on his lot which will result in the cancellation of insurance or which would be in violation of any law. No waste storage shall be permitted on the Community Property.

Section 3 The streets must not be obstructed or encumbered or used for any purpose other than ingress and egress to and from the subdivision.

Section 4 Each Lot Owner shall be obligated to in no way allow his lot or house to be unsightly from the street or to his neighbors, and in no way to violate the rules under the Restrictions and Agreement of Maintenance.

Section 5 The Board shall notify in writing any member guilty of any violation. Enforcement shall be carried out in accordance with the restrictions if such member does not correct problem within the time period stated in the notice.

ARTICLE V

Each director, each officer, and each member of committees of the Association shall be indemnified by the Association against all liabilities and expenses, including attorney fees reasonably incurred or imposed on them in connection with any proceeding in which they may be a party or in which they may become involved by reason of their being or having been a director or officer or committee member of the Association, or any settlement thereof, regardless of whether they are a director or officer or committee member at the time such expenses are incurred, unless the director or officer or committee member is adjudged guilty of willful malfeasance in the performance of his or her duties. In case of a settlement, the indemnification provided for herein shall apply only when the Board of Directors approves such settlement and reimbursement as being for the Association's reasonable best interest. This right of indemnification shall not be exclusive of all other rights to which a director or officer or committee member may be entitled but shall be an addition to any and all rights.

ARTICLE VI

Amendments

These By-Laws may be amended or modified from time to time by either written approval submitted to the Board by a majority of the voting members or by a

majority vote at a duly called annual or special meeting where a quorum exists. However, no provisions in these By-Laws may be modified so as to conflict with the provision of the Fox Run Estates Restrictions and Agreement of Maintenance.