

EXHIBIT "E"

WEBSTER PARK CONDOMINIUM BY-LAWS

ARTICLE I.

Plan of Unit Ownership.

Section 1. *Applicability.* These By-Laws provide for the governance of the Condominium pursuant to the requirements of La Rev Stat Ann § 9:1123.106. The Property, located in Orleans Parish, Louisiana, and more particularly described in the Declaration, has been submitted to the provisions of the Condominium Act by recordation simultaneously herewith of the Declaration in the conveyance records of Parish, Louisiana.

Section 2. *Compliance.* Pursuant to the provisions of La Rev Stat Ann § 9:1124.115, every Unit Owner and all those entitled to occupy a Unit shall comply with these By-Laws.

Section 3. *Office.* The office of the Condominium, the Association, and the Board of Directors shall be located at the Property or at such other place as may be designated from time to time by the Board of Directors.

ARTICLE II.

Unit Owners Association

Section 1. *Composition.* The Unit Owners Association shall consist of all of the Unit Owners acting as a group in accordance with the Condominium Act pursuant to the Declaration and these By-Laws. For all purposes the Unit Owners Association shall act merely as an agent for the Unit Owners as a group. The Unit Owners Association shall have the responsibility of administering the Condominium, establishing the means and methods of collecting assessments and charges, arranging for the management of the Condominium and performing all of the other acts that may be required or permitted to be performed by the Unit Owners Association by the Condominium Act and the Declaration. Except as to those matters which the Condominium Act specifically requires to be performed by the vote of the Unit Owners Association, the foregoing responsibilities shall be performed by the Board of Directors as more particularly set forth in Article III of these By-Laws.

Section 2. *Annual Meetings.* The annual meetings of the Unit Owners Association shall be held each year within 30 days before the beginning of the fiscal year. At such annual meetings the Board of Directors shall be elected by ballot of the Unit Owners in accordance with the requirements of Section 3 of Article III of these By-Laws. So long as the Declarant shall own at least 3 of the 4 Units the Declarant shall be entitled to designate the members of the Board of Directors, but in no event shall the Declarant be entitled to designate the members of the Board of Directors after one year from the date of the closing of the first Unit sold.

Section 3. *Place of Meetings.* Meetings of the Unit Owners Association shall be held at the principal office of the Unit Owners Association or at such other suitable place convenient to the Unit Owners as may be designated by the Board of Directors. The meeting may be held via teleconference.

Section 4. *Special Meetings.* The President shall call a special meeting of the Unit Owners Association if so directed by resolution of the Board of Directors or upon a petition signed by 3 of 4 members of the Unit Owners Association and presented to the Secretary of Unit Owners. The notice of any special meeting shall state the time, place and purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. *Notice of Meetings.* The Secretary shall mail, email or deliver written notice to each Unit Owner a notice of each annual or regularly-scheduled meeting of the Unit Owners at least 14 but not more than 30 days, and of each special meeting of the Unit Owners at least 3 but not more than 30 days, prior to such meeting, stating the time, place and purpose thereof. The emailing, mailing, or delivering by any means a written communication of a notice of meeting in the manner provided in this Section and Section 1 of Article VII of the By-Laws shall be considered service of notice.

Section 6. *Quorum*. A quorum shall consist of the presence either in person, by proxy, or via teleconference of 3 of the 4 unit members.

Section 7. *Order of Business*. The order of business at all meetings of the Unit Owners Association shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Reports of Board of Directors.
- (f) Reports of committees.
- (g) Election or appointment of inspectors of election (when so required).
- (h) Unfinished business.
- (i) New business.

Section 8. *Title to Units*. Title to a Unit may be taken in the name of one or more Persons, in any manner permitted by law. The Unit Owners Association may require, hold and transfer full legal title to one or more Condominium Units in the Condominium in its own name, but only if the unanimous consent of the members of the Association is obtained.

Section 9. *Voting*. Voting at all meetings of the Unit Owners Association shall be on a number basis. Each Unit is assigned one vote. Where the ownership of a Unit is in more than one person, the person who shall be entitled to cast the vote of such Unit shall be the person named in a certificate executed by all of the owners of such Unit and filed with the Secretary or, in the absence of such named person from the meeting, the person who shall be entitled to cast the vote of such Unit shall be the person owning such Unit who is present. If more than one person owning such Units is present then such vote shall be cast only in accordance with their unanimous agreement. Such certificate shall be valid until revoked by a subsequent certificate similarly executed. Wherever the approval or disapproval of a Unit Owner is required by the Condominium Act, the Declaration or these By-Laws, such approval or disapproval shall be made only by the person who would be entitled to cast the vote of such Unit at any meeting of the Unit Owners Association. If the Declarant owns or holds title to one or more Units, the Declarant shall have the right at any meeting of the Unit Owners Association to cast the votes to which such Unit or Units are entitled. No Unit Owner may vote at any meeting of the Unit Owners Association or be elected to or serve on the Board of Directors if the Unit Owners Association has perfected a privilege against his Unit and the amount necessary to release such privilege has not been paid at the time of such meeting or election.

Section 10. *Proxies*. A vote may be cast in person or by proxy. Such proxy may be granted by any Unit Owner in favor of only another Unit Owner, a Mortgagee or the Declarant. Proxies shall be duly executed in writing, shall be valid only for the particular meeting designated therein and must be filed with the Secretary before the appointed time of the meeting. Such proxy shall be deemed revoked only upon actual receipt by the person presiding over the meeting of notice of revocation from any of the persons owning such Unit. Except with respect to proxies in favor of a Mortgagee, no proxy shall in any event be valid for a period in excess of 180 days after the execution thereof.

Section 11. *Conduct of Meetings*. The President shall preside over all meetings of the Unit Owners Association and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting as well as a record of all transactions occurring thereat. The President may appoint a person to serve as parliamentarian at any meeting of the Unit Owners Association. The then current edition of Robert's Rules of Order shall govern the conduct of all meetings of the Unit Owners Association when not in conflict with the Declaration, these By-Laws or the Condominium Act. All votes shall be tallied by tellers appointed by the President or other officer presiding over the meeting.

ARTICLE III. Board of Directors

Section 1. *Number and Qualification*. The affairs of the Unit Owners Association shall be

governed by a Board of Directors. Until acts of transfer of 2 of the 4 Units shall have been delivered to Unit Owners by the Declarant, and thereafter until their successors shall have been elected by the Unit Owners, the Board of Directors shall consist of such persons as may be designated by the Declarant; provided, however, that the foregoing power of designation shall not extend beyond one year from the date of the closing of the first Unit sold. The Board of Directors shall be composed of 2 persons, all of whom shall be Unit Owners or spouses of Unit Owners, Mortgagees (or designees of Mortgagees) or designees of the Declarant; provided, however, that, anything in these By-Laws to the contrary notwithstanding, until the Declarant has sold 2 of the 4 Units (but in no event after one year from the date of the closing of the first Unit sold) the Board of Directors shall be composed of at least 1 person, but not more than 2 persons designated by the Declarant. The Declarant shall have the right in its sole discretion to replace such Director(s) as may be so designated, and to designate their successors. The time limit on the period of Declarant's control shall commence upon closing of the first Unit to be sold in any portion of the Condominium.

Section 2. Powers and Duties. The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Unit Owners Association and may do all such acts and things as are not by the Condominium Act, the Declaration or by these By-Laws required to be exercised and done by the Unit Owners Association. The Board of Directors shall have the power from time to time to adopt any Rules and Regulations deemed necessary for the benefit and enjoyment of the Condominium; provided, however, that such Rules and Regulations shall not be in conflict with the Condominium Act, the Declaration or these By-Laws. In addition to the duties imposed by these By-Laws or by any resolution of the Unit Owners Association that may hereafter be adopted, the Board of Directors shall on behalf of the Unit Owners Association:

- (a) Prepare an annual budget, in which there shall be established the assessments of each Unit Owner for the Common Expenses.
- (b) Make assessments against Unit Owners to defray the costs and expenses of the Condominium, establish the means and methods of collecting such assessments from the Unit Owners and establish the period of the installment payment of the annual assessment for Common Expenses. Unless otherwise determined by the Board of Directors, the annual assessment against each Unit Owner for his proportionate share of the Common Expenses shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month for such month.
- (c) Provide for the operation, care, upkeep and maintenance of all the Property and services of the Condominium.
- (d) Designate, hire and dismiss the personnel necessary for maintenance, operation, repair and replacement of the Common Elements and provide service for the Property and, where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties, which supplies and equipment shall be deemed part of the Property.
- (e) Collect the assessments against the Unit Owners, deposit the proceeds thereof in Bank depositories designated by the Board of Directors and use the proceeds to carry out the administration of the Property.
- (f) Make and amend the Rules and Regulations.
- (g) Open bank accounts on behalf of the Unit Owners Association and designate the signatories thereon.
- (h) Make, or contract for the making of, repairs, additions and improvements to or alterations of the Property, and repairs to and restoration of the Property, in accordance with these By-Laws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.
- (i) Enforce by legal means the provisions of the Declaration, these By-Laws and the Rules and Regulations and on behalf of the Unit Owners with respect to all matters arising out of any eminent domain proceeding.
- (j) Obtain and carry insurance against casualties and liabilities, as provided in Article VII of the Declaration, pay the premiums therefor and adjust and settle any claims thereunder.
- (k) Pay the cost of all authorized services rendered to the Unit Owners Association and not billed to Unit Owners of individual Units or otherwise provided for in Article V, Sections 1 and 2 of these By-Laws.
- (l) Keep books with detailed accounts in chronological order of the receipts and expenditures affecting the Property, and the administration of the Condominium specifying the expenses of maintenance and repair of the Common Elements and any

other expenses incurred. Such books and vouchers accrediting the entries thereupon shall be available for examination by the Unit Owners, their duly authorized agents or attorneys, during general business hours on working days at the times and in the manner set and announced by the Board of Directors for the general knowledge of the Unit Owners. All books and records shall be kept in accordance with good and accepted accounting practices, and the same shall be audited at least once each year by an independent accountant retained by the Board of Directors who shall not be a resident of the Condominium or a Unit Owner. The cost of such audit shall be a Common Expense.

- (m) Notify a Mortgagee of any default hereunder by the Unit Owner or the Unit subject to such Mortgage, in the event such default continues for a period exceeding 30 days.
- (n) Borrow money on behalf of the Condominium when required in connection with any one instance relating to the operation, care, upkeep and maintenance of the Common Elements, provided, however, that the consent of at least 3 of the 4 Unit Owners, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, shall be required to borrow any sum in excess of \$2,500.00.
- (o) Acquire, hold and dispose of Condominium Units and mortgage the same if such expenditures and hypothecations are included in the budget adopted by the Unit Owners Association and the purchase is approved by all of the members of the Owners Association.
- (p) Furnish a "Certificate of Resale" within 10 days after the receipt of a written request therefor from any Unit Owner substantially in the form set forth on Exhibit "A" to these By-Laws and designated "Certificate for Resale."
- (q) Do such other things and acts not inconsistent with the Condominium Act, the Declaration or these By-Laws which the Board of Directors may be authorized to do by a resolution of the Unit Owners Association.

Section 3. *Election and Term of Office.*

- (a) At the first annual meeting of the Unit Owners Association, the term of office of 1 member of the Board of Directors shall be fixed at 2 years, the term of office of 1 member of the Board of Directors shall be fixed at 1 year. At the expiration of the initial term of office of each member of the initial Board of Directors, a successor shall be elected to serve for a term of 2 years. The members of the Board of Directors shall hold office until their respective successors have been elected by the Unit Owners Association.
- (b) Persons qualified to be members of the Board of Directors may be nominated for election only as follows:
 - (1) Any Unit Owner may submit to the Secretary at least 14 days before the meeting at which the election is to be held a nominating petition signed by a Unit Owner and a statement that the person nominated is willing to serve on the Board of Directors. The Secretary shall mail, email, or hand-deliver the submitted items to every Unit Owner along with the notice of such meeting; or
 - (2) Nomination may be submitted from the floor at the meeting at which the election is held for each vacancy on the Board of Directors for which no more than one person has been nominated by petition.

Section 4. *Removal or Resignation of Members of the Board of Directors.* Except with respect to directors designated by Declarant, at any regular or special meeting duly called, any one or more of the members of the Board of Directors may be removed with or without cause by a Majority of the Unit Owners and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the Unit Owners shall be given at least 7 days notice of the time, place and purpose of the meeting and shall be given an opportunity to be heard at the meeting. A member of the Board of Directors may resign at any time and shall be deemed to have resigned upon disposition of his Unit.

Section 5. *Vacancies.* Vacancies in the Board of Directors caused by any reason other than the removal of a director by a vote of the Unit Owners Association shall be filled by appointment of the remaining director promptly after the occurrence of any such vacancy. Each person so appointed shall be a member of the Board of Directors for the remainder of the term of the member being replaced and until a successor shall be elected at the next annual meeting of the Unit Owners Association. Notwithstanding anything to the contrary in this Section or in the preceding Section 4, until the Declarant has sold 2 of the 4 Units (but in no event after one year from the date of the closing of the first Unit sold) the Declarant shall designate the successor to

any resigned or removed member previously designated by the Declarant.

Section 6. *Organization Meeting.* The first meeting of the Board of Directors following the annual meeting of the Unit Owners Association shall be held within 30 days thereafter at such time and place as shall be fixed by the Unit Owners Association at the meeting at which such Board of Directors shall have been elected, and no notice shall be necessary to the newly elected members of the Board of Directors in order to legally constitute such meeting, providing a majority of the whole Board of Directors shall be present thereat.

Section 7. *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 all members of the Board of Directors, but such meetings shall be held at least once every fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director, by mail or email at least 7 business days prior to the day named for such meeting.

Section 8. *Special Meetings.* Special meetings of the Board of Directors may be called by the President on 3 business days notice to each director, given by mail or email, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of any director.

Section 9. *Waiver of Notice.* Any director may at any time, in writing, waive notice of any meeting of the Board of Directors, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board of Directors shall constitute a waiver of notice by him of the time, place and purpose of such meeting. If all directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 10. *Quorum of Board of Directors.* At all meetings of the Board of Directors, both directors must be present to constitute a Quorum for the transaction of business, and the votes both directors shall constitute the decision of the Board of Directors.

Section 11. *Fidelity Bonds.* The Board of Directors shall obtain and maintain adequate fidelity bonds in an amount not less than 150% of the total annual condominium assessments for the year (in such form and such greater amounts as may be required by the Mortgagees) to protect against the dishonest acts on the part of the officers, directors, and employees of the Unit Owners Association, handling or responsible for Condominium funds. The premiums on such bonds shall constitute a Common Expense. Such fidelity bonds shall: (i) name the Unit Owner's Association as an obligee; and (ii) contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression; and (iii) shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least 30 days prior written notice to the mortgagees.

Section 12. *Compensation.* No director shall receive any compensation from the Condominium for acting as such.

Section 13. *Conduct of Meetings.* The President shall preside over all meetings of the Board of Directors and the Secretary shall keep a minute book of the Board of Directors recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings. The then current edition of Robert's Rules of Order shall govern the conduct of the meetings of the Board of Directors when not in conflict with the Declaration, these By-Laws or the Condominium Act.

Section 14. *Action Without Meeting.* Any act by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board of Directors shall individually or collectively consent in writing to such action. Any such written consent shall be filed with the minutes of the proceedings of the Board of Directors.

Section 15. *Liability of the Board of Directors, Officers, Unit Owners and Unit Owners Association.*

- (a) The officers and members of the Board of Directors shall not be liable to the Unit Owners Association for any mistake of judgment, negligence or otherwise, except for

their own individual willful misconduct or bad faith. The Unit Owners Association shall indemnify and hold harmless each of the officers and directors from and against all contractual liability to others arising out of contracts made by the officers of the Board of Directors on behalf of the Unit Owners Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Condominium Act, the Declaration or these By-Laws, except to the extent that such liability is covered by directors and officers liability insurance. Officers and members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Unit Owners Association. The liability of any Unit Owner (only as it relates to all other Unit Owners in the Condominium) arising out of any contract made by the officers or Board of Directors, or out of the aforesaid indemnity in favor of the members of the Board of Directors or officers, or for damages as a result of injuries arising in connection with the Common Elements solely by virtue of his ownership of a Percentage Interest therein or for liabilities incurred by the Unit Owners Association, shall be limited to the total liability multiplied by his Percentage Interest. Every agreement made by the officers, the Board of Directors or the Managing Agent on behalf of the Unit Owners Association shall, if obtainable, provide that the officers, the members of the Board of Directors or the Managing Agent, as the case may be, are acting only as agents for the Unit Owners' Association and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to the total liability thereunder multiplied by his Percentage Interest.

- (b) The Unit Owners Association shall not be liable for any failure of water supply or other services to be obtained by the Unit Owners Association or paid for as a Common Expense, or for injury or damage to person or property caused by the elements or by the Unit Owner of any Condominium Unit, or any other person, or resulting from electricity, water, snow or ice which may leak or flow from any portion of the Common Elements or from any pipe, drain, conduit, appliance or equipment. The Unit Owners Association shall not be liable to any Unit Owner for loss or damage, by theft or otherwise, of articles which may be stored upon any of the Common Elements. No diminution or abatement of any assessments, as herein elsewhere provided, shall be claimed or allowed for inconvenience or discomfort, arising from the making of repairs or improvements to the Common Elements or from any action taken by the Unit Owners Association to comply with any law, ordinance or with the order or directive of any municipal or other governmental authority.

Section 16. *Common or Interested Directors.* Each member of the Board of Directors shall exercise his powers and duties in good faith and with a view to the interests of the Condominium. No contract or other transaction between the Unit Owners Association and any of its directors, or between the Unit Owners Association and any corporation, firm or association (including Declarant) in which any of the directors of the Unit Owners Association are directors or officers or are pecuniarily or otherwise interested, is either void or voidable because any such director is present at the meeting of the Board of Directors or any committee thereof which authorizes or approves the contract or transaction, or because his vote is counted for such purpose, if any of the conditions specified in any of the following subparagraphs exists:

- (a) The fact of the common directorate or interest is disclosed or known to the Board of Directors or a majority thereof or noted in the minutes, and the Board of Directors authorizes, approves or ratifies such contract or transaction in good faith by a vote sufficient for the purpose; or
- (b) The fact of the common directorate or interest is disclosed or known to at least a majority of the Unit Owners, and the Unit Owners approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose; or
- (c) The contract or transaction is commercially reasonable to the Unit Owners Association at the time it is authorized, ratified, approved or executed.

Any common or interested directors may be counted in determining the presence of a quorum of any meeting of the Board of Directors or committee thereof which authorizes, approves or ratifies any contract or transaction, and may vote thereat to authorize any contract or transaction with like force and effect as if such director were not such director or officer of such Unit Owners Association or not so interested.

ARTICLE IV.
Officers

Section 1. *Designation.* The principal officers of the Unit Owners Association shall be the President and the Secretary. The Board of Directors may appoint a treasurer, an assistant secretary and such other officers as in its judgment may be necessary. The President and Secretary shall be members of the Board of Directors.

Section 2. *Election of Officers.* The officers of the Unit Owners Association shall be elected in the same manner as the Board of Directors.

Section 3. *Removal of Officers.* Upon the affirmative vote of all members of the Board of Directors any officer who is not a President or Secretary may be removed, either with or without cause, and a successor may be elected at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors called for such purpose.

Section 4. *President.*

- (a) The President shall: be the chief executive officer of the Unit Owners Association; preside at all meetings of the Unit Owners Association and of the Board of Directors; and have all of the general powers and duties which are incident to the office of president of a not-for-profit corporation organized under the Louisiana Not-For-Profit Corporation Act including without limitation the power to appoint committees from among the Unit Owners from time to time as the President may in his discretion decide is appropriate to assist in the conduct of the affairs of the Unit Owners Association.
- (b) The President shall also have the responsibility for Unit Owners Association funds and be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data; and be responsible for the deposit of all monies and other valuable effects in the name of the Board of Directors, the Unit Owners Association or the Managing Agent, in such depositories as may from time to time be designated by the Board of Directors, and, in general, perform all the duties incident to the office of treasurer of a non-profit corporation organized under the Louisiana Not-For-Profit Corporation Act.

Section 5. *Secretary.* The Secretary shall keep the minutes of all meetings of the Unit Owners Association and the Board of Directors; have charge of such books and papers as the Board of Directors may direct; maintain a register setting forth the place to which all notices to Unit Owners and Mortgagees hereunder shall be delivered; and, in general, perform all the duties incident to the office of secretary of a non-profit corporation organized under the Louisiana Not-For-Profit Corporation Act.

Section 6. *Treasurer.* Should the Board of Directors appoint a Treasurer, the President shall relinquish the responsibilities under Article IV, Paragraph 4(b) to the Treasurer. The Treasurer shall then have the responsibility for Unit Owners Association funds and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data; and be responsible for the deposit of all monies and other valuable effects in the name of the Board of Directors, the Unit Owners Association or the Managing Agent, in such depositories as may from time to time be designated by the Board of Directors, and, in general, perform all the duties incident to the office of treasurer of a non-profit corporation organized under the Louisiana Not-For-Profit Corporation Act.

Section 8. *Execution of Documents.* All agreements, contracts, deeds, leases, checks and other instruments of the Unit Owners Association for expenditures or obligations in excess of \$1,000.00 shall be executed by any 2 persons designated by the Board of Directors, which said persons may be members of the Board of Directors themselves. All such instruments for expenditures or obligations of \$999.99 or less may be executed by any one person designated by the Board of Directors.

Section 9. *Compensation of Officers.* No officer who is also a director shall receive any compensation from the Unit Owners Association for acting as such officer.

ARTICLE V.
Operation of the Property

Section 1. *Determination of Common Expenses and Assessments Against Unit Owners.*

- (a) *Fiscal Year.* The fiscal year of the Unit Owners Association shall be the calendar year unless otherwise determined by the Board of Directors.
- (b) *Preparation and Approval of Budget.*
- (i) At least 45 days before the beginning of the fiscal year, the Board of Directors shall adopt a budget for the Unit Owners Association containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the Common Elements and those parts of the Units as to which it is the responsibility of the Board of Directors to maintain, repair and replace, and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be Common Expenses by the Condominium Act, The Declaration, these By-Laws or a resolution of the Unit Owners Association and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Property and the rendering to the Unit Owners of all related services.
 - (ii) Such budget shall also include such reasonable amounts as the Board of Directors considers necessary to provide working capital, a general operating reserve and reserves for contingencies and replacements. At least 30 days before the beginning of the fiscal year, the Board of Directors shall send to each Unit Owner a copy of the budget in a reasonably itemized form which sets forth the amount the Common Elements and any special assessment payable by each Unit Owner. Such budget shall constitute the basis for determining each Unit Owner's assessment for the Common Elements of the Unit Owners Association.
- (c) *Assessment and Payment of Common Expenses.* Subject to the provisions of Article IX of the Declaration, the total amount of the estimated funds required for the operation of the Property set forth in the budget adopted by the Board of Directors shall be assessed against each Unit Owner in proportion to his respective Percentage Interest and shall be a lien against each Unit Owner's Unit as provided in Article IX of the Declaration. On or before the first day of each fiscal year, and the first day of each of the succeeding eleven months, in such fiscal year, each Unit Owner shall be obligated to pay to the Board of Directors or the Managing Agent (as determined by the Board of Directors), 1/12 of such assessment. Within 90 days after the end of each fiscal year, the Board of Directors shall supply to all Unit Owners an itemized accounting of the Common Expenses for such fiscal year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the budget adopted by the Board of Directors for such fiscal year, and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall, if the Board of Directors deems it advisable, be credited equally among each Unit and applied to the next monthly installments due from Unit Owners under the current fiscal year's budget, until exhausted. Any net shortage shall be assessed promptly and equally against each Unit and shall be payable either: (1) in full with payment of the next monthly assessment due; (2) in not more than 6 equal monthly installments, as the Board of Directors may determine.
- (d) *Reserves.* The Board of Directors shall build up and maintain reasonable reserves for working capital, operations, contingencies and replacements. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year shall be charged first against such reserves. If the reserves are inadequate for any reason, including non-payment of any Unit Owner's assessment, the Board of Directors may at any time levy a further assessment, which shall be assessed against the Unit Owners according to their respective ownership interests, and which may be payable in a lump sum or in installments as the Board of Directors may determine. The Board of Directors shall serve notice of any such further assessment on all Unit Owners by a statement in writing giving the amount and reasons therefor, and such further assessment shall, unless otherwise specified in the notice, become effective with the next monthly payment which is due more than 10 days after the delivery of such notice of further assessment. All Unit Owners shall be obligated to pay the adjusted monthly amount or, if such further assessment is not payable in installments, the amount of such assessment. Such assessment shall be a lien as of the effective date as set forth in the preceding paragraph (c).

(e) Initial Capital Payment.

- (i)* Upon taking office, the first Board of Directors elected or designated pursuant to these By-Laws, shall determine the budget, as defined in this Section, for the period commencing 30 days after such election and ending on the last day of the fiscal year in which such election occurs. Assessments shall be levied and become a lien against the Unit Owners during such period as provided in paragraph (c) of this Section.
- (ii)* The Declarant, as the agent of the Board of Directors, will collect from each initial purchaser at the time of settlement an "initial capital payment" equivalent to twice the estimated monthly assessment for Common Expenses for such purchaser's Unit. The Declarant will deliver the funds so collected to the Board of Directors to provide the necessary working capital for the Unit Owners Association.
- (f) Effect of Failure to Prepare or Adopt Budget.* The failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit Owner's obligation to pay his allocable share of the Common Expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Unit Owner shall continue to pay each monthly installment at the monthly rate established for the previous fiscal year until notice of the monthly payment which is due more than 10 days after such new annual or adjusted budget shall have been delivered.

Section 2. *Collection of Assessments.* The Board of Directors, or the Managing Agent at the request of the Board of Directors, shall take prompt action to collect any assessments for Common Expenses due from any Unit Owner which remain unpaid for more than 30 days from the due date for payment thereof.

Section 3. *Statement of Common Expenses.* The Board of Directors shall promptly provide any Unit Owner, contract purchaser or Mortgagee so requesting the same in writing with a written statement of all unpaid assessments for Common Expenses due from such Unit Owner. The Board of Directors may impose a reasonable charge for the preparation of such statement to cover the cost of preparation to the extent permitted by the Condominium Act.

ARTICLE VI. Mortgages

Section 1. *Notice to Board of Directors.* A Unit Owner who mortgages his Unit shall notify the Board of Directors of the name and address of his Mortgagee and shall file a conformed copy of the note and mortgage with the Board of Directors.

Section 2. *Notice of Default, Casualty or Condemnation.* The Board of Directors when giving notice to any Unit Owner of a default in paying an assessment for Common Expenses or any other default, shall simultaneously send a copy of such notice to the Mortgagee of such Unit. Each Mortgagee shall also be promptly notified of any casualty giving rise to a possible claim under any insurance purchased by the Unit Owners Association of all actions taken under Article VIII of the Declaration with respect to reconstruction or repair of casualty damages and of any taking in condemnation or by expropriation and actions of the Unit Owners Association with respect thereto.

Section 3. *Notice of Amendment of Declaration or By-Laws.* The Board of Directors shall give notice to all Mortgagees 7 days prior to the date on which the Unit Owners in accordance with the provisions of these By-Laws, materially amend the Condominium Instruments.

Section 4. *Mortgagee's Approvals.* Unless all Mortgagees shall have given their prior written approval, neither the Unit Owners Association nor any Unit Owner shall:

- (a) Change the Percentage Interest or obligations of any Unit Owner;
- (b) Subdivide, partition or relocate the boundaries of any Unit encumbered by a Mortgage or the Common Elements of the Condominium;
- (c) By act of omission withdraw the submission of the Property to the Condominium Act, except as provided by the Condominium Instruments or the Condominium Act.
- (d) Abandon or terminate the project, except for abandonment or termination provided by

law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain.

- (e) Materially amend the Declaration or the By-Laws, including, but not limited to any amendment which would change the Percentage Interests of the Unit Owners in the Project.
- (f) Effectuate any decision by the Unit Owners Association to terminate professional management and assume self-management of the project.

Section 5. *Other Rights of Mortgagees.* All Mortgagees or their representatives shall be entitled to attend meetings of the Unit Owners Association and shall have the right to speak thereat. All such Mortgagees shall have the right to examine the books and records of the Condominium during normal business hours and to require the submission of annual audited financial reports and other budgetary information within 90 days following the end of any fiscal year. They shall also receive written notice of all meetings of the Owners Association and be permitted to designate a representative to attend all such meetings.

ARTICLE VII. Miscellaneous

Section 1. *Notices.* All notices, demands, bills, statements or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by registered or certified mail, return receipt requested, postage prepaid (or otherwise as the Condominium Act may permit), (i) if to a Unit Owner, at the address which the Unit Owner shall designate in writing and file with the Secretary or, if no such address is designated, at the address of the Unit or such Unit Owner, or (ii) if to the Unit Owners Association, the Board of Directors or to the Managing Agent, at the principal office of the Managing Agent or at such other address as shall be designated by notice in writing to the Unit Owners pursuant to this Section. If a Unit is owned by more than one person, each such Person who so designates an address in writing to the Secretary shall be entitled to receive all notices hereunder.

Section 2. *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 provision thereof.

Section 3. *Gender.* The use of the masculine gender in these By-Laws shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

Section 4. *Construction.* These Condominium Instruments are intended to comply with all of the applicable provisions of the Louisiana Condominium Act and shall be so interpreted and applied.

EXHIBIT "A" TO THE BY-LAWS

WEBSTER PARK CONDOMINIUMS CERTIFICATE OF RESALE

TO:

FROM:

RE: Condominium Unit No. _____ at Webster Park Condominiums, New Orleans, LA.

Pursuant to Section 1124.107 of the Condominium Act, we hereby certify that as of the date hereof, except as herein stated:

A. The status of assessments with respect to the Condominium Unit is as follows:

Current assessment due \$
Assessment in arrears \$
TOTAL DUE \$

B. The Condominium Instruments do not create any rights of first refusal or other restraints on free alienability of any of the Condominium Units.

C. The following, if any, is a list of all capital expenditures anticipated by the Unit Owners Association within the current or succeeding two fiscal years:

Capital expenditures

D. As of the date of this Certificate, there is an outstanding booked balance in the reserve for replacement fund of approximately \$ _____. Of that balance, the following amounts, if any, have been designated by the Board of Directors for the following specific projects:

Projects

E. Attached to this Certificate is a copy of the statement of financial condition of the Unit Owners Association for the year ended [month], [year], the last fiscal year for which such statement is available.

F. There are no unsatisfied judgments against the Unit Owners Association nor any pending suits in which the Unit Owners Association is a party except as follows:

Judgments/suits

G. The Unit Owners Association holds hazard, property damage and liability insurance policies as required by the Declaration. It is suggested that each Unit Owner obtain his own insurance covering property damage to his Unit (not covered by the Unit Owners Association policy) and personal property contained therein as well as insurance covering personal liability. You are urged to consult with your insurance agent.

H. Improvements and alterations, if any, made to the Condominium Unit or the Limited Common Elements assigned thereto are not in violation of the Condominium Instruments except as follows:

The information contained in this Certificate for Resale, issued pursuant to Section 1124.107 of the Condominium Act, as amended, based on the best knowledge and belief of the Unit Owners Association, is current as of the date hereof.

The name and address of the President of the Unit Owners Association is: _____

The Unit Owners Association may charge a fee for the preparation of this Certificate for Resale as allowed by law.

Dated this _____ day of _____, 20____.

WEBSTER PARK CONDOMINIUM ASSOCIATION

BY: _____

ITS: