

BY-LAWS OF QUAIL CREEK PROPERTY OWNERS ASSOCIATION, INC.

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Quail Creek Property Owners Association, Inc., a Louisiana non-profit corporation (hereinafter referred to as the "association"), being the governing body of the property now or hereafter submitted to the provisions of the Covenants, Deed Restrictions and Obligation for this subdivision (hereinafter called "Restrictions and Covenants") does hereby adopt the following initial By-Laws which shall govern the operation and administration of said Subdivision, as provided for in compliance with said Restriction and Covenants.

All present and future owners, tenants, future tenants of their employees, or any other person who might use the facilities of this subdivision in any manner, are subject to the regulation set forth in these By-Laws. The mere acquisition, rental or occupancy of any of the lots of the Subdivision will signify and constitute a ratification and acceptance of these By-Laws by any such owner or other person.

Article 1 — Name

This association is known as Quail Creek Property Owners Association, Inc., and has been incorporated with the Secretary of State, State of Louisiana.

Article 2 — Members' Meetings

1. Members — Association members shall be the record owners of units in the Subdivision as set forth in the Articles of Incorporation.

2. Annual Meeting — The annual members' meeting shall be held at such location as the notice shall indicate on the third Wednesday of May of each year at 7:30 PM, for the purpose of electing directors and of transacting any other business authorized to be transacted by the members; provided, however, that if the day is a legal holiday, the meeting shall be held at the same hour on the next succeeding Sunday which is not a legal holiday.

Amended April 5th, 1998 to read:

Special Meetings — Special members meetings shall be held whenever and wherever called by the President or by a majority of the members of Board of Directors. A special meeting must be called by such officers upon receipt of a written request from ten percent (10%) of the entire membership.

4. Notice — Notice of all members' meetings stating the time and place and the objects for which the meeting is called shall be given by the President or Secretary to all lot owners. Such notice shall be in writing to each member at his address as it appears on the books of Association not less than ten (10) days nor more than sixty (60) days prior to the date of the meeting. Proof of notice for the annual meeting shall be given in writing by the person giving the notice. Notice of meetings may be waived in writing before, during or after meetings.

5. Vote required to transact business — A vote by the majority of the property owners present or represented by written proxy at the meeting shall bind all members, present or not.

6. Voting — In any meeting of members each lot shall be entitled to one vote, which vote shall be cast by the owner thereof or his duly authorized proxy.

(a) If a lot is owned by one person his right to vote shall be established by the record title to his lot. If a lot is owned by more than one person, owners of a fractional part of a lot shall be able to cast their fractional vote or assign their vote to one person who shall be authorized to vote the lot as a whole. The person entitled to vote for such lot shall be designated by a written certificate of designation signed by all of the co-owners of the lot and filed with the Secretary of the Association. Such certificate or designation shall be valid and irrevocable until superseded by a subsequent valid certificate. Unless otherwise specified by the persons involved, this requirement is waived for spouses owning undivided interests in lots, in which case either spouse may vote of the lot. In no event shall any single lot have more than one vote.

(b) Votes may be cast in person or by proxy. Proxies may be made by any person entitled to vote. They shall be valid only for the particular meeting designated and must be in writing and filed with the Secretary before any vote is taken. A sample proxy is attached as Appendix 1.

Amended October 17, 2004 to read:

Votes may be cast in person, proxy or mailed-in ballots and may be made by one person per lot who is in good standings. The Proxy shall be valid only for the particular meeting designated and must be in writing and filed by the Secretary before any vote is taken. A sample proxy is attached as Appendix 1. A mail-in ballot will be mailed to each homeowner no less than 15 days and no more than 30 days before the vote. Mail-in ballots will be a secret ballot and mailed to the Secretary or placed in a secure box at the clubhouse. The proxies will remain sealed until the vote and then counted and added to the total.

7. Approval or disapproval of a lot owner upon any matter, whether or not the subject of an Association meeting, shall be by the same person designated to cast the vote of such owner if in an Association meeting.

8. Order of Business — The recommended order of business at the annual members' meetings and, as may be applicable, at all other members' meetings, shall be:

- Election of chairperson of the meeting (first meeting only)
- Certifying proxies
- Proof of notice of meeting or waiver of notice
- Approval of minutes
- Reports of officers
- Reports of committees
- Election of directors
- Unfinished business
- New business
- Adjournment

Article 3 — Directors

1. Number of Directors — The first Board of Directors shall consist of four (4) persons, which number may be increased to any number up to nine (9) as determined by the members. The Board of Directors shall have such duties and powers as are set forth in the Restriction and Covenants, the Articles of Incorporation and these

By-Laws.

2. Election of Directors

(a) Subject to the provisions of the Articles, election of directors shall be conducted at the annual members' meeting. Nomination for directorships and directors shall be made from the floor. The election shall be by ballot, mail or any other reasonable means. Each director shall be elected by a plurality of the votes cast, each person voting being entitled to cast one vote for each vacancy to be filled.

Amended October 17, 2004 to read:

Subject to the provisions of the Articles, election of Officers/Directors shall be conducted at the Annual Members' Meeting on the third Sunday in October at 6:00 p.m. The President shall call a Special Meeting for the purpose of nominations Officers/Directors who will seek office at the Annual Members Meeting. The Special Meeting will be no less than 30 days before the Annual Members Meeting or no more than 45 days. Nominations shall be taken from the floor for each position. The presidents will mail or have hand delivered to each address a list of all Nominees and Proxy Ballot no less than 15 days or more than 30 days before the election. The election shall be by ballot, mail or any other reasonable means. Each director shall be elected by a plurality of the vote cast, each person voting being entitled to cast one vote for each vacancy to be filled. Proxy Ballots may be mailed to the Quail Creek Secretary, where they will remain sealed until the vote at the Annual Members Meeting is counted. The Secretary will certify mail-in Proxy Ballots by the return address on the envelope and presents them to the President before the Annual Members Meeting is called to order.

(b) Except as to vacancies occurring by removal of directors by members, vacancies in the Board of Directors occurring between annual meetings of members shall be filled by the remaining directors, who, even though not constituting a quorum, may, by a majority vote, fill any vacancy on the board (including any vacancy resulting from an increase in the authorized number of directors, or from failure of the members to elect the full number of authorized directors) for an unfulfilled term, provided that the members shall have the right to fill the vacancy at any special meeting called for the purpose prior to such action by the board.

(c) Any director may be removed by concurrence of a majority of the votes of the total voting power present at a special meeting of the members called that purpose. The vacancy in the Board of Directors so created shall be filled by vote of the members of the Association at the same meeting.

(d) The term of each director's service shall extend until the next annual meeting of the members, and thereafter until his successor is duly elected and qualified or until the director is removed in the manner elsewhere provided. Directors duly elected take office immediately at the first meeting to organize.

Amended November 29, 1999 to read:

Officers and Directors shall serve a term of one year from January 1st to December 31st of the year following their election.

3. Directors' Meetings — Regular meeting 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 directors. Notice of meetings shall be given to each director, either personally or by mail, telephone or by telegraph.

4. Powers and Duties of the Board of Directors — Except as otherwise provided in the Restriction and Covenants, all of the powers and duties of the Association shall be exercised by the Board of Directors including those existing under the law and statutes, and the Restrictions and Covenants, as now or hereafter amended. Such powers and duties shall be exercised in accordance with the provisions of the Restriction and

Covenants which governs the use of the Subdivision property and shall include but shall not be limited to the following:

- To make and collect assessments against member to defray the costs of the Subdivision.
- To use the proceeds of assessments in the exercise of its powers and duties.
- The normal, common, recurring maintenance, repair, replacement and operation of the subdivision property.

Amended April 5th, 1998 to read:

The normal, common, recurring maintenance, repair, replacement and operation of the subdivision property. Should uncommon, non-budgeted maintenance or repair needs arise that are to exceed \$1000.00 (one-thousand dollars) in cost to the association, then a meeting shall be called by the board, so that attending members of the association may vote approval.

Amended October 15, 2000 to read:

Should uncommon, non-budgeted maintenance or repair needs arise that are to exceed \$2500.00 (two thousand, five hundred dollars) in cost to the association, then a meeting shall be called by the board, so that attending members of the association may vote approval.

- The reconstruction or improvements after casualty and the further improvement of the property.
- To make and amend Rules and Regulation respecting the use of the property, subject to the provisions of the Articles.
- To enforce by legal means the provisions of the Restriction and Covenants, the Articles, the By-Laws of the Association, and any Rules and Regulations for the use of the property hereafter adopted.
- To designate and employ personnel for reasonable compensation necessary for the administration and management of the Association and maintenance of the property and to dismiss same provided any such contract for the management and performance of services is timed so that it terminates at the next annual meeting of the Association.
- To carry insurance for the protection of the lot owners and the Association against casualty and liabilities.

Amended December 18, 2005 to read:

5. Directors are not required to Chair a major committee, but will only be reimbursed their dues for that year if they chair one of the following committees:

- Landscaping
- Architectural Control/Drainage
- Pool/Tennis Courts
- Publishing
- Club House/Decorating

President, Vice President, Secretary and Treasurer must also co-chair one of the following committees mentioned above.

Article 4 — Officers

1. Officers — The executive officers of the Board of Directors of the Association shall be a President, a Vice President, a Secretary, and a Treasurer, all of whom must be directors. The Board of Directors may from time to time designate and elect such other officers, and designate their powers and duties as the Board may find to be prudent to manage the affairs of the Association.

2. President — The president shall be the chief executive officer of the Association. The president shall have all of the powers and duties which are usually vested in the office of president of an association, including but not limited to the power to appoint committees from among the members from time to time, as he or she may in his or her discretion determine necessary and appropriate, to assist in the conduct of the affairs of the Association and to preside over the members' meetings.

3. Vice President — Each vice president shall have such powers, and shall perform such duties, as shall be assigned to him or her by the directors or by the president, and, in the order determined by the board, shall, in the absence or disability of the president, perform the duties and exercise the powers of the president.

4. Secretary — The secretary shall keep the minute book where the resolutions of all proceedings of the directors and the members shall be recorded. He or she shall attend to the giving and serving of all notices to the members and directors and the other notices required by law. The secretary shall keep the records of the Association, and shall perform all other duties incident to the office of secretary of an association and as may be required by the directors or the president.

5. Treasurer — The treasurer shall have custody of all property of the Association, including funds, securities, and evidences of indebtedness. He or she shall keep the assessment rolls and accounts of the members; shall keep the books of the association in accordance with good accounting practice, and shall perform all other duties incident to the office of treasurer. Assistance from the accounting professionals may be requested subject to board approval.

6. Employee Compensation — The compensation of all employees of the Association shall be fixed by the directors.

Amended April 5th, 1998 to read:

6. Employee Compensation — The need for any such Association Employee and the compensation of all employees shall be decided upon by a majority of those members present at any General Meeting or Special Meeting after ample notification (a minimum of 10 days and a maximum of 30 days).

Amended October 15, 2000 to read:

Board members will be reimbursed their entire annual dues if they serve as a Board member for the entire year. The full amount shall be reimbursed at the end of the year's term.

Amended January 18, 2003 to read:

If a Board member misses at least 3 meetings without valid reasons, they will not be paid their portion served of their dues and will be voted off the Board. If a member quits due to moving out of the subdivision, the dues refund would be prorated equal to the time served. The replacing member will only be paid for their portion of time served.

Article 5 — Committees

1. Members and Chairpersons — The President may appoint committees from among the members and designate committee chairpersons.
2. Architectural Committee — The Architectural Committee shall be governed by the applicable provisions in the Restrictions and Covenants. Members of the Architectural Committee shall be appointed by the President.
3. Minutes of Meetings of Committees — All committees shall keep regular minutes of their proceedings, and shall forward a copy of the minutes to the Secretary. No approval by the board of any action properly taken by a committee is required.
4. Committee Procedure — If the President fails to designate the chairperson of a committee, the members of the committee shall designate a temporary chairperson from among themselves. Each committee shall meet regularly, at such times as it shall determine, and at any time on call of the chairperson. A majority of a committee constitutes a quorum, and the committee may take action either by vote of a majority of the members present at any meeting at which there is a quorum or by written concurrence of a majority of the members. Unless otherwise provided for in the Restriction and Covenants, the President has the power to change the members of any committee at any time, to fill vacancies, and to discharge any committee at any time. Each committee must provide the Treasurer with information needed to prepare the annual budget. Committees shall not enter into verbal or written contract, including the hiring of employees, and have no authority to bind the Association. Committees shall not have checking or bank accounts.

Article 6 — Fiscal Management

The provisions for fiscal management of the Association set forth in the Restrictions and Covenants and Articles of Incorporation shall be supplemented by the following provisions:

1. Assessment Roll — The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each lot. Such an account shall designate the name and address of the owner or owners, the amount of each assessment against the owners, the dates and amounts in which the assessments come due, the amounts paid upon the account and the balance due on assessments.

2. Budget

(a) The Board of Directors shall adopt a budget for each calendar year which shall contain the estimated funds required to defray common expenses of the Association (which may include such reserve accounts as the Board of Directors may in their discretion establish), including, but not limited to, the following items:

(1) Common Expense Budget:

- Maintenance, repair and operation of Common Elements
- Landscaping
- Casualty insurance
- Liability insurance
- Administration costs including professional services contracts
- All taxes and charges, other than those assessed against an individual lot in the subdivision
- Reserves

A more detailed list of expenses is set forth in Article VIII of the Restrictions and Covenants.

(2) Number of lots included under the budget expenses.

(b) Copies of the proposed budget and the proposed assessments shall be transmitted to each member on or before December 1 of the year preceding the year for which the budget is made.

3. Assessments

(a) Annual Assessments — Assessments against the lot owners for their respective percentage shares of the annual budget shall be made on or before December 1 of the year preceding the year for which the assessments are made. Such assessments shall be due in twelve (12) month installments on the first day of each month of the year for which the assessments are made. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior annual assessment. In the event the prior annual assessment proves to be insufficient, the deficit may be collected by increased installments approved at any time by the Board of Directors resulting in a supplement assessment.

(b) Special Assessments — Assessments for common expenses to defray the cost of emergencies which cannot be paid from the annual assessments for common expenses can be made only after notice of the need therefore to the lot owners. After such notice and upon approval in writing by persons entitled to cast more than fifty-one percent (51%) of the vote of the unit owners, the assessment shall become effective, and it shall be due after fifteen (15) days notice thereof in such manner as the Board of Directors may require.

(c) The depository of the Association shall be such banks as shall be designated from time to time by the directors and in which the moneys of the Association shall all be deposited. Withdrawal of moneys from such accounts shall be only by checks signed by two (2) persons as are authorized by directors.

(d) The collection of assessments may be delegated to a professional company if it is deemed appropriate by the Board of Directors.

Amended December 18, 2005 to read:

(e) Emergency/Building Fund Account can only be used with a vote from the residents. With at least 10% of the homeowners casting a ballot and with a simple majority of the votes cast. Monies used from this fund must be replaced out of the general Fund monthly. Not to exceed 30 months in payments. Or the Board of Directors must access every lot owner an equal amount so as to return the fund to the amount before money used. A minimum of Ten Thousand Dollars must always be held in this account at all times.

Article 7 — Parliamentary Rules

Roberts Rules of Order (latest edition) shall govern the conduct of Association proceedings when not in conflict with the Restriction and Covenants, Articles of these By-Laws or the laws of the State of Louisiana.

Article 8 — Rules and Regulations

1. Authority — The Board of Directors may in its discretion, and shall at the direction of members holding two thirds (2/3) of the total votes of the Association, adopt or amend reasonable rules and regulations concerning the details of operation and use of the Association's property, including maintenance, conservation and beautification of the Association's property and for the health, comfort, safety and general welfare of the owners and occupants of Quail Creek.

2. Notice — Written notice of the adoption or amendment of such rules and regulations and a copy thereof shall be furnished to each member prior to their effective date and a copy of the current rules and regulation applicable to the Subdivision shall be maintained at all times in the records of the Association.

Article 9 — Amendments

1. Method — The members or the directors, by affirmative vote of a majority of those present or represented, may, at any members' meeting, amend or alter any of the by-laws; subject, however, to the right of the members to change or repeal any by-laws made or amended by the directors.
2. Effective Dates — An amendment adopted as set forth above shall become effective only after being recorded in the minutes by the Secretary.
3. Restrictions on Amendments — No amendment shall make any changes in the qualifications for membership nor in the voting rights or assessment responsibilities of the members.

Article 10 — Arbitration

Any dispute between or among the property owners arising out of the administration of the subdivision property may be resolved by arbitration as follows:

1. Any question or issue in controversy other than the payment of any assessment required to be paid to the Association, arising between two or more members or between one or more members and the Association or its Board of Directors, or the employees and agents thereof, concerning the administration and management of Quail Creek Subdivision, may be resolved by arbitration if all of the parties agree in writing.
2. For controversies involving two parties, each party shall select an individual to act as an arbitrator, and said arbitrators shall select a third individual and the matter or matters in dispute shall be submitted to the three (3) arbitrators for arbitration. For controversies involving more than two parties, the dispute shall be arbitrated by a single impartial arbitrator.
3. Any procedural disputes which the parties are unable to resolve among themselves will be resolved in accordance with the appropriate rules adopted by the American Arbitration Association.
4. The decision of the arbitrators shall be final and binding on the parties, and judgment may be entered thereon. The award of the arbitrator(s) shall be in writing and certified to be correct by each arbitrator before a Notary Public. Copy thereof shall be delivered to each party to the controversy and to the Secretary for filing in the records of the Association.
5. All costs of any such arbitration shall be borne equally by the parties involved, provided that if the award of the arbitrators is entirely against one party, that party shall be solely responsible for all costs of said arbitration. In the event that any party fails to comply with the award of the arbitrator, the party against whom the award is enforced shall pay all costs and expenses, including attorneys' fees incurred to defend or enforce the award.

A sample arbitration agreement is attached as Appendix 2.

The foregoing were adopted as the By-Laws of the corporation, a corporation not for profit, organized under the laws of the State of Louisiana.

Dated this 10th day of January, 1995.

The undersigned Directors do hereby consent to and adopt the above By-Laws.

/S/ A. T. Chenault

A.T. Chenault, IV, President

/S/ Lynne Vasterling

Lynne Vasterling, Secretary

/S/ Cynthia C. Fredieu

Cynthia C. Fredieu, Treasurer