



The Carol

DECLARATION

**DECLARATION OF CONDOMINIUM
OF
CAROL CONDOMINIUM**

This Declaration, made and entered into by Appearer as hereinafter defined;

W I T N E S S E T H :

WHEREAS, the Appearer is the legal title holder to certain real estate located in the Parish of Orleans, State of Louisiana, more particularly described in Exhibit A attached hereto, and made a part hereof as fully set forth herein, (herein referred to as the "Parcel").

WHEREAS the Appearer intends to and does hereby submit the Parcel of real estate described in Exhibit A, together with all buildings, structures, improvements and other permanent fixtures of whatsoever kind thereon, and all rights and privileges belonging or in anywise pertaining thereto (hereinafter called the "Property") to the provisions of the Louisiana Condominium Act; and

WHEREAS the Appearer further desires to establish for its own benefit and for the mutual benefit of all future owners or occupants of the Property or any part thereof, and intends that all future owners, occupants, mortgagees, and any other persons hereinafter acquiring any interest in the Property shall hold said interest subject to, certain rights, easements and privileges in, over and upon said Property and certain mutually beneficial restrictions and obligations with respect to the proper use, conduct and maintenance thereof, hereinafter set forth, all of which are declared to be in furtherance of a plan to promote and preserve the cooperative aspects of ownership of and residence on the Property and are established for the purpose of facilitating the proper administration of the Property and enhancing and perfecting the value, desirability and attractiveness of the Property;

Now, therefore, the Appearer, as the legal title holder of the Property described in Exhibit A and for the purposes above set forth, declares as follows:

1. *Definitions.* As used herein, unless the context otherwise requires.

(a) "Act" means the Louisiana Condominium Act.

(b) "Appearer" means Carol Apts., Inc., or such other person or persons, corporation, partnership or entity whatsoever that is the legal title holder to the real estate described in Exhibit A at the time of the recording of this Declaration of Condominium.

(c) "Association" means the Carol Condominium Association, a Louisiana non-profit corporation.

(d) "Board" means the Board of Directors of the Carol Condominium Association.

(e) "Building" means all structures or structural improvements located on the Parcel and forming part of the Property and containing one or more Units, as shown by the surveys of the respective floors of said structural improvements included in the Plat.

(f) "By-Laws" means the By-Laws of the Carol Condominium Association attached hereto as Exhibit E and made a part hereof.

(g) "Commercial Unit" means a Unit designated as a Commercial Unit on the Plat.

(h) "Common Elements" means all portions of the Property, except the Units, including, without limitation, the land, foundations, hallways, stairways, entrances and exits, lobby, garage, laundries, receiving room, mechanical equipment areas, storage areas, office of the building manager, elevators, basements, boilers, the boiler room, roof, pipes, ducts, electrical wiring and conduits (except pipes, ducts, electrical wiring and conduits situated entirely within a Unit and serving only such Unit), heating and air conditioning systems, public utility lines, structural parts of the Building, outside walks and driveways, landscaping and all other portions of the Property except the individual Units. Structural columns located within the boundaries of a Unit shall be part of the Common Elements. Any references to "Common Elements" appearing on the Plat (except references to Limited Common Elements) shall be deemed solely for purposes of general information and shall not be limiting in any way, nor shall any such reference define the Common Elements in any way.

(i) "Common Expenses" means the proposed or actual expenses affecting the Property, including reserves, if any, lawfully assessed by the Board. Such Common Expenses shall consist of the expenses of the administration and operation of the Common Elements and any other expenses incurred in confor-

mance with the Act, this Declaration, and the By-Laws, including, but not limited to, the maintenance and repair of the Common Elements and any and all replacements and additions thereto.

(j) "Declaration" means this instrument, by which the Property is submitted to the provisions of the Act, as hereinafter provided, and such Declaration as amended from time to time.

(k) "Limited Common Elements" means all Common Elements serving exclusively a single Unit or one or more adjoining Units as an inseparable appurtenance thereto, the enjoyment, benefit or use of which is reserved to the lawful Occupants of such Unit or Units either in this Declaration, on the Plat or by the Board. Said Limited Common Elements shall include, but shall not be limited to, pipes, ducts, electrical wiring and conduits located entirely within a Unit or adjoining Units and serving only such Unit or Units, and such portions of the perimeter walls, floors and ceilings, doors, vestibules, windows, and entryways, and all associated fixtures and structures therein, as lie outside the Unit boundaries and serve exclusively a single Unit or adjoining Units, as aforesaid.

(l) "Majority" or "majority of the Unit Owners" means the owners of more than fifty per cent (50%) in the aggregate of the undivided ownership interest in the Common Elements. Any specified percentage of Unit Owners means that percentage of Unit Owners who in the aggregate own such specified percentage of the entire undivided ownership of the Common Elements, provided, however, that if at any time thirty percent (30%) or fewer of the Units, by number, possess over fifty percent (50%) in the aggregate of the undivided ownership in the Common Elements, then any percentage vote of the Unit Owners specified in the Act, this Declaration or the By-Laws shall require the vote of the specified percentage of Units (on the basis of one vote per Unit), rather than the specified percentage of ownership interest in the Common Elements allocated to Units that would otherwise be applicable.

(m) "Occupant" means a person or persons in possession of a Unit regardless of whether said person is a Unit Owner.

(n) "Parcel" means the parcel or tract of real estate, described above in this Declaration, submitted to the provisions of the Act.

(o) "Person" means a natural individual, corporation, partnership, trustee or other legal entity capable of holding title to real property.

(p) "Plat" means the plats of survey of the Parcel and of all Units in the Property submitted to the provisions of the Act, said Plat being attached hereto as Exhibit B and made a part hereof and recorded simultaneously with the recording of this Declaration.

(q) "Property" means all the land, property and space comprising the Parcel, and all improvements and structures erected, constructed therein or thereon, including the Building and all easements, rights and appurtenances belonging thereto, and all furniture, furnishings, fixtures and equipment intended for the mutual use, benefit or enjoyment of the Unit Owners, submitted to the provisions of the Act.

(r) "Record or Recording" refers to the record or recording in the office of the Register of Conveyances for the Parish of Orleans, State of Louisiana.

(s) "Unit" means a part of the Property designed and intended for any type of independent use and consisting of one or more rooms situated on one or more floors of the Building, or a part or parts thereof, so specified as a Unit and listed on Exhibit C attached hereto, and as set forth on the Plat, attached hereto as Exhibit B. Each Unit shall consist of the space enclosed and bounded by the horizontal and vertical planes as shown on said Plat, and shall include all improvements contained within such area, including any plumbing and electrical fixtures; provided, however, that no structural components of the Building in which such Unit is located, and no pipes, wires, conduits, ducts, flues, shafts, or public utility lines, situated within such Unit and forming part of any system serving one or more other Units or the Common Elements, shall be deemed to be a part of such Unit.

(t) "Unit Owner" means the person or persons whose estates or interests, individually or collectively, aggregate fee simple ownership of a Unit and or the undivided interest in the Common Elements appurtenant thereto. Unless specifically provided otherwise herein, the Appearer shall be deemed a Unit Owner so long as it is the legal title holder of any Unit.

2. *Submission of Property to the Act.* The Appearer as the legal title holder in fee simple of the Parcel, expressly intends to, and by recording this Declaration does hereby, submit the Parcel and the Property to the provisions of the Louisiana Condominium Act.

3. *Plat.* The plat sets forth a survey of the land and a graphic description of the existing improvements and a plot plan thereof in sufficient detail to identify the common elements and each unit and their relative

location and approximate dimensions and other data as required by the Act.

4. *Units.* The legal description of each Unit shall consist of the distinguishing number or other symbol for such Unit as shown on the Plat. Every deed, lease, mortgage or other instrument shall legally describe a Unit by its identifying number or symbol as shown on the Plat and every such description shall be deemed good and sufficient for all purposes, as provided in the Act.

5.

(a) *Association of Unit Owners and Administration and Operation of the Property.* There has been formed pursuant to the Articles of Incorporation attached hereto as Exhibit D and made a part hereof, an Association having the name "Carol Condominium Association," a Louisiana non-profit corporation, which Association shall be the governing body for all of the Unit Owners for the maintenance, repair, replacement, administration and operation of the Property, as provided in the Act, this Declaration and the By-Laws. The Association shall have and exercise all powers necessary or convenient to effect any or all of the purposes for which the Association is organized, and to do every other act not inconsistent with law which may be appropriate to promote and attain the purposes set forth in the Act, this Declaration or the By-Laws. The By-Laws for the Association shall be the By-Laws attached to the Declaration as Exhibit E and made a part hereof. The Board of Directors of the Association shall be elected and shall serve in accordance with the provisions of the By-Laws. Subject to the Act and Paragraph 11 below, the Board shall have standing to act in a representative capacity in relation to matters involving the Common Elements or more than one Unit, on behalf of the Unit Owners, as their interests may appear. The fiscal year of the Association shall be determined by the Board, and may be changed from time to time as the Board deems advisable. The Association shall not be deemed to be conducting a business of any kind. All activities undertaken by the Association shall be for the sole benefit of the Unit Owners, and all funds received by the Association shall be held and applied by it for the use and benefit of Unit Owners in accordance with the provisions of the Declaration and By-Laws. Each Unit Owner shall be a member of the Association so long as he is a Unit Owner. A Unit Owner's membership shall automatically terminate when he ceases to be a Unit Owner. The aggregate number of votes for all members of the Association shall be One Hundred (100) and shall be divided among the respective Unit Owners in accordance with their respective percentages of ownership interest in the Common Elements. Upon the conveyance or transfer of a Unit Owner's ownership interest to a new Unit Owner, the new Unit Owner shall simultaneously succeed to the former Unit Owner's membership in the Association. Upon the conveyance or transfer of a portion of a Unit Owner's ownership interest, the transferring Unit Owner and the transferee thereof shall each be members of the Association in accordance with the percentage of ownership interest in the Common Elements of each following such conveyance or transfer.

(b) *Management of Property.* The Board shall have the authority to engage the services of a manager or managing agent (herein sometimes referred to as the "Managing Agent") to maintain, repair, replace, administer and operate the Property, or any part thereof, to the extent deemed advisable by the Board, subject to the provisions of subparagraph (c) below. The cost of such services shall be a Common Expense, as defined in Paragraph 10, below.

(c) *Apartments for Building Personnel.* The Board shall have authority to lease, purchase and mortgage one or more Units or other residential quarters for a building manager and engineer. All rental or debt service paid by the Association pursuant to any such lease agreement or mortgage shall be part of the Common Expenses.

(d) *Use by Appearer.* While the Appearer is the owner of any Unit, its agents, employees, contractors and subcontractors, and their respective agents and employees, shall be entitled to access, ingress to, and egress from said Building and Property as may be required to consummate the sale of Units and to complete the refurbishing of the Building, and Appearer and its employees may use and show one or more of such unsold or unoccupied Units as a model Unit or Units and may use one or more of such unsold or unoccupied Units or a portion of the Common Elements as a sales office, and may maintain customary signs in connection therewith. This paragraph 5(d) shall not be amended without the prior written consent of the Appearer.

(e) *Non-Liability of the Directors, Board, Officers and Appearer.* Neither the directors, Board, officers of the Association, nor the Appearer shall be personally liable to the Unit Owners for any mistake of judgment or for any other acts or omissions of any nature whatsoever as directors, Board, officers, or Appearer, except for any acts or omissions found by a court to constitute gross negligence or fraud. The Unit Owners shall indemnify and hold harmless each of the directors, Board, officers or Appearer, and their respective devisees, legatees, heirs, executors, administrators, legal representatives, successors and assigns in accordance with the provisions of Article VIII of the By-Laws.

6. *Board's Determination-Binding.* In the event of any dispute or disagreement between any Unit Owners relating to the Property, or any questions of interpretation or application of the provisions of the Declaration or By-Laws, the determination thereof by the Board shall be final and binding on each and all such Unit Owners. Any dispute between Unit Owners relating to the administration of the Property may be submitted to arbitration pursuant to the Louisiana Arbitration Law.

7. *Ownership of the Common Elements.* Each Unit Owner shall be entitled to the percentage of ownership in the Common Elements allocated to the respective Unit owned by such Unit Owner, as set forth in Exhibit C attached hereto and made a part hereof as though fully set forth herein. The percentages of ownership interests set forth in Exhibit C shall remain constant unless hereafter changed by amendment to this Declaration, as provided in subparagraphs 14(c) or 14(e) or Paragraph 20 or 21 of this Declaration, or unless hereafter changed by amendment to this Declaration consented to in writing by the Unit Owners, and, in either case, such amendment is recorded in accordance with the Act and Paragraph 24 below. Said ownership interest in the Common Elements shall be an undivided interest owned by the Unit Owners in accordance with their respective percentages of ownership. Except as provided in the Act and this Declaration, the ownership interest in the Common Elements shall remain undivided, and no Unit Owner shall bring any action for partition or division of the Common Elements, any agreement or covenant to the contrary shall be void. The ownership of each Unit shall not be conveyed, transferred, encumbered or otherwise affected separate from the percentage of ownership in the Common Elements corresponding to said Unit. The undivided percentage of ownership in the Common Elements corresponding to any Unit shall be deemed conveyed, transferred, encumbered or otherwise affected with that Unit, even though the legal description in the instrument conveying, transferring, encumbering or otherwise affecting said Unit may refer only to the fee title to that Unit and not expressly mention or describe the percentage of ownership in the Common Elements corresponding to that Unit, or may refer to an incorrect percentage for that Unit.

8. *Use of the Common Elements.* Each Unit Owner shall have the right to use the Common Elements (except the Limited Common Elements and portions of the Property subject to leases made by or assigned to the Board) in common with all other Unit Owners, as may be required for the purposes of access, ingress to, egress from, use, occupancy and enjoyment of the respective Unit owned by such Unit Owner. Such right to use the Common Elements shall extend to not only each Unit Owner, but also to his agents, servants, tenants, family members, customers, invitees and licensees. However, each Unit Owner shall have the right to the exclusive use and possession of the Limited Common Elements serving such Unit alone or with adjoining Units. Such rights to use the Common Elements, including the Limited Common Elements, shall be subject to and governed by the provisions of the Act, Declaration, By-Laws and rules and regulations of the Association. In addition, the Association shall have the authority to lease, grant concessions or grant easements with respect to parts of the Common Elements, subject to the provisions of the Declaration and By-Laws. All income derived by the Association from leases, concessions or other sources shall be held and used for the benefit of the members of the Association, pursuant to such rules, resolutions or regulations as the Board may adopt or prescribe.

9. *Storage Areas and Garage.*

(a) There are a limited number of storage areas in the Building. The storage areas of the Building shall be part of the Common Elements and shall be allocated and re-allocated, from time to time, to the respective Unit Owners in such manner and subject to such rules and regulations as the Board may prescribe.

(b) The parking areas of the Property shall be part of the Common Elements and parking privileges therein shall be rented by the Association to Occupants and others upon such terms as the Board may approve.

10. *Common Expenses.*

(a) Each Unit Owner, including the Appearer, shall pay his proportionate share of the Common Expenses. Except for its responsibilities as a Unit Owner, as provided herein, the Appearer shall have no responsibility for the maintenance, repair or replacement of any part of the Common Elements after the date the Appearer delivers its deed to the first purchaser of a Unit. Such proportionate share of the Common Expenses and the proportionate share in the Common Surplus for each Unit Owner shall be in the same ratio as his percentage of ownership in the Common Elements. Payment of Common Expenses, including any prepayment thereof required by contract for sale of a Unit, shall be in such amounts and at such times as determined in the manner provided in the By-Laws. No Unit Owner shall be exempt from payment of his proportionate share of the Common Expenses by waiver or non-use or non-enjoyment of the Common Elements or by abandonment of his Unit. Each Unit Owner shall also pay for all utility services, including electricity and other utility services, if any, separately metered for such Unit Owner's Unit.

(b) The Association shall have a lien on a Unit together with the percentage interest in the Common Elements attached thereto for all unpaid sums assessed by the Association for its share of Common Ex-

penses, and interest thereon at the rate of 10% per annum. This lien shall also secure reasonable attorney's fees incurred by the Association incident to the collection of the assessment or enforcement of the lien. The claim of lien shall be signed and verified by affidavit of an officer or agent of the Association and shall be filed for registry in the mortgage records in the Parish of Orleans not more than ninety days after the date on which the assessment for Common Expenses becomes delinquent. The claim of lien shall include a description of the Unit, the name of its record owner, the amount of delinquent Common Expenses and the date on which said expenses became delinquent. The Association shall, at least seven days prior to the filing for registry of the lien, serve upon the delinquent Unit Owner a sworn detailed statement of its claim for delinquent Common Expenses, which service shall be effected by registered mail or personal service. The lien for Common Expenses shall secure only assessments for Common Expenses which are due and payable when the claim of lien is filed for registry.

(c) A claim of lien recorded as set forth in Subsection (b) of this section shall preserve the lien against the Unit together with the percentage interest in the Common Elements attached thereto for a period of one year from the date of recordation. The effect of recordation shall cease and the lien preserved by this recordation shall preempt unless a suit on the claim of lien is filed by the Association in a civil action in any court of competent jurisdiction in the Parish of Orleans within one year from the date of the recordation of the inscription of the lien.

(d) A purchaser of a Unit at a judicial sale shall not be liable for the share of common expenses chargeable to the former Unit Owner of the parcel that became due prior to the sale. The unpaid Common Expenses of assessments shall be deemed a general common expense collectible from all the Unit Owners including the purchaser.

(e) A Unit Owner, mortgagee or purchaser of a Unit shall have the right to acquire from the Association a certificate showing the amount of unpaid assessments with respect to the Unit. The Association may not enforce against a purchaser or mortgagee who relies on the certificate any indebtedness as of that date in excess of the amount shown thereon.

(f) "Such claim of lien shall be subordinate to the lien of any prior recorded mortgage on the Property or any portion thereof, or on the interest of such Unit Owner, owned or held by an existing mortgagee of the Property, its successors and assigns, a bank, insurance company, homestead savings and loan association, or other financial institution or institutional investor, except for the amount of the proportionate share of Common Expenses which become due and payable from and after the date on which the said mortgage holder either takes possession of the Unit, accepts a conveyance of any interest therein (other than as security) or files suit to foreclose its mortgage and causes a receiver to be appointed. This provision shall not be amended, changed, modified or rescinded without the prior written consent of all such holders of a recorded mortgage encumbering any one or more Units in the Building.

11. *Mortgages and Other Liens.*

(a) Each Unit Owner shall have the right, subject to the provisions herein, to make or create, or cause to be made or created, any mortgage or other lien on or affecting his respective Unit together with his respective ownership interest in the Common Elements; provided however, that, from the date this Declaration is recorded, no Unit Owner shall have the right or authority to make or create, or cause to be made or created, any mortgage or other lien on or affecting the Property or any part thereof, except only to the extent of his own Unit and the respective percentage interest in the Common Elements corresponding thereto. The Appearer shall have the right to make or create, or cause to be made or created, one or more mortgages or other liens on or affecting all or some of the Units to which it then owns fee simple title, and the Common Elements appurtenant thereto.

(b) Subsequent to the recording of this Declaration, no liens of any nature shall be created or arise against any portion of the Property except against an individual Unit or Units. No labor performed or materials furnished with the consent or at the request of a particular Unit Owner shall be the basis for the filing of a mechanics' lien claim against any other Unit. If the performance of the labor or furnishing of the materials is expressly authorized by the Board, each Unit Owner shall be deemed to have expressly authorized and consented to such performance of labor and furnishing of materials, and each Unit Owner shall be liable for the payment of his Unit's proportionate share of any due and payable indebtedness, as set forth in the Act. A Unit Owner shall not be liable for any claims, damages, or judgments entered as a result of any action or inaction of the Board other than for mechanics' liens as set forth above. Each Unit Owner's liability for any judgment entered against the Board or the Association shall be limited to his proportionate share of the indebtedness, as set forth in the Act, whether collection is sought through assessment or otherwise.

12. *Separate Real Estate Taxes.* Real estate taxes shall be separately taxed to each Unit Owner for his Unit and his corresponding percentage of ownership in the Common Elements, as provided in the Act. In the event that such taxes for any year are not separately taxed to each Unit Owner, but rather are taxed on the Property as a whole, then each Unit Owner shall pay his proportionate share thereof in accordance with his respective percentage of ownership interest in the Common Elements, and, in said event, such taxes shall be a Common Expense.

13. *Insurance.*

(a) The Board shall have the authority to and shall obtain insurance for the Property, exclusive of the additions within, improvements to and decorating of the Units or Limited Common Elements by the Unit Owners, against loss or damage by fire, vandalism, malicious mischief and such other hazards as are covered under standard extended coverage provisions for the full insurable replacement cost of the Common Elements and the Units, and against such other hazards and for such amounts as the Board may deem advisable. Insurable replacement cost shall be deemed the cost of restoring the Common Elements, Units or any part thereof to substantially the same condition in which they existed prior to damage or destruction. Such insurance coverage shall be written in the name of, and the proceeds thereof shall be payable to, the Board of the Association, as the trustee for each of the Unit Owners in direct ratio to said Unit Owner's respective percentage of ownership in the Common Elements, as set forth in the Declaration, and for the holders of mortgages on each Unit, if any. Each such policy of insurance shall also contain, if possible, a waiver of subrogation rights by the insurer against individual Unit Owners. The premiums for such insurance shall be a Common Expense. However, at the option of the Board, and upon written notice to all Unit Owners, premiums for such insurance may be separately billed to each Unit Owner for his Unit and his corresponding percentage of ownership in the Common Elements, or the Common Expenses for the payment of such premiums may be separately assessed to each Unit Owner for his Unit and his corresponding percentage interest in the Common Elements on a basis reflecting increased charges for insurance coverage on certain Units. The Board shall notify all persons insured under such policy in the event of any cancellation thereof.

(b) The Board shall also have authority to and shall obtain comprehensive public liability insurance, in such amounts as it deems desirable, and workmen's compensation insurance and other liability insurance as it deems desirable, insuring each Unit Owner, any mortgagee of record, if any, the Association, its officers, directors and Board, the Appearer, and the Managing Agent, if any, and their respective employees and agents and all persons acting as their respective agents, from liability in connection with the ownership, existence, use or management of the Common Elements. Each such policy of insurance shall cover claims of one or more insured parties against other insured parties and shall also contain a waiver of subrogation rights by the insurer against such insured persons or entities. The premiums for such insurance shall be a Common Expense. However, at the option of the Board, and upon written notice to all Unit Owners, premiums for such insurance shall be separately billed to each Unit Owner for his corresponding percentage of ownership in the Common Elements. The Board shall notify all persons insured under any such public liability policy in the event of any cancellation thereof.

(c) The Board shall also have authority to and may obtain such insurance as it deems desirable, in such amounts, from such sources and in such forms as it deems desirable, insuring the Property and each member of the Board and officer of the Association, and member of any committee appointed pursuant to the By-Laws of the Association from liability arising from the fact that said person is or was director or officer of the Association, or a member of such a committee. The premiums for such insurance shall be a Common Expense.

(d) A Unit Owner shall be liable for any claim, damage, or judgment entered as a result of the use or operation of his Unit or caused by his own conduct. Each Unit Owner shall be responsible for obtaining his own insurance on the contents of his own Unit and the contents of the Limited Common Elements serving his Unit, as well as his additions and improvements thereto, decorating, furnishings and personal property, therein, and personal property stored elsewhere on the Property. In addition, in the event a Unit Owner desires to insure against his personal liability and loss or damage by fire or other hazards above and beyond the extent that his liability loss or damage is covered by the liability insurance and insurance against loss or damage by fire and such other hazards obtained by the Board for all of the Unit Owners as part of the Common Expenses, as above provided, said Unit Owner may, at his option and expense, obtain additional insurance.

14. *Casualty and Eminent Domain.*

(a) Determination to reconstruct or repair. If any part of the Property shall be damaged by casualty, whether or not it shall be reconstructed or repaired shall be determined in the following manner:

(1) Common Element. If the damaged improvement is a Common Element, the damaged property shall be reconstructed or repaired, unless it is determined in the manner elsewhere provided that the Property shall be withdrawn from the Louisiana Condominium Act.

(2) Condominium Building.

(i) Lesser Damage. If the damaged improvement includes Units in the building, and if Units to which 50% of the Common Elements are appurtenant are found by the Board of Directors of the Association to be tenatable, the damaged property shall be reconstructed or repaired unless within sixty (60) days after the casualty it is determined by the unanimous agreement of the Unit Owners, and all mortgage holders and lien creditors which agreement shall be evidenced by an instrument executed in the same manner as required for the conveyance of land that the Property shall be withdrawn from the Louisiana Condominium Act. The withdrawal shall become effective when such agreement has been recorded in the Office of the Register of Conveyances for the Parish of Orleans, State of Louisiana.

(ii) Major Damage. If the damage improvement includes Units in the Building, and if Units to which more than 50% of the Common Elements are appurtenant are found by the Board of Directors of the Association to be not tenatable, then the damaged property will not be reconstructed or repaired and the Property will be withdrawn from the Louisiana Condominium Act without agreement as elsewhere provided, unless within sixty (60) days after the casualty the owners of 75% of the Common Elements agree in writing to such reconstruction or repair.

(b) Plans and Specifications. Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original Building; or, if not, then according to plans and specifications approved by the Board of Directors of the Association, and if the damaged property includes units in the condominium building, by Unit Owners of not less than 75% of the Common Elements, including the Unit Owners of all damaged Units, which approval shall not be unreasonably withheld.

(c) Responsibility. If the damage is only to those parts of one unit for which the responsibility of maintenance and repair is that of the Unit Owner, then the Unit Owner shall be responsible for the reconstruction and repair after casualty. In all other instances the responsibility of reconstruction and repair after casualty shall be that of the Association.

(d) Assessments. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair by the Association, or if at any time during reconstruction and repair, the funds for the payment of the cost thereof are insufficient, assessments shall be made against Unit Owners who own the damaged Units and against all Unit Owners in the case of damage to Common Elements, in sufficient amounts to provide funds, for the payment of such costs. Such assessments against Unit Owners for damage to Units shall be in proportion to the cost of reconstruction and repair of their respective Unit. Such assessments on account of damage to Common Elements shall be in proportion to the Unit Owner's shares in the Common Elements.

(e) In the event any portion of the Property is taken by eminent domain proceedings, provision for withdrawal from the provisions of the Act of such portion so taken may be made by the Board. Upon any such withdrawal of any Unit or portion thereof, the percentage of ownership in the Common Elements appurtenant to such withdrawn Unit or portion shall be reallocated, with relief of responsibility or liability for payment of all or a portion of assessments therefore, and any condemnation award or other proceeds resulting from such proceeding shall be allocated and paid, in the same manner as provided by subparagraph 14(c) above with respect to casualty to the Property and insurance proceeds resulting therefrom.

(f) The provisions of this Paragraph 14 shall be subject to the rights, if any, of the holders of mortgages on the Property or any part thereof or on any or all of the Units and the Common Elements appurtenant thereto.

15. *Maintenance, Repairs and Replacements.* Each Unit Owner, at his own expense, shall furnish and be responsible for all maintenance of, repairs to and replacements within his own Unit. Maintenance of, repairs to and replacements within the Common Elements shall be the responsibility of and shall be furnished by the Association. The cost of maintenance of, repairs to and replacements within the Common Elements shall be part of the Common Expenses, subject to the By-Laws and the rules and regulations of the Association. However, at the discretion of the Board, maintenance of, repairs to and replacements within the Limited Common Elements may be assessed in whole or in part to Unit Owners benefitted thereby, and, further, at the discretion of the Board, the Board may direct Unit Owners who stand to be benefitted by such maintenance of, repairs to and replacement within the Limited Common Elements to arrange for such maintenance, repairs and replacement in the name and for the account of such benefitted Unit Owners, pay the cost thereof

with their own funds, and procure and deliver to the Board such lien waivers and contractor's and subcontractor's sworn statement as may be required to protect the Property from all mechanics' or materialmen's lien claims that may arise therefrom.

If, due to the act or neglect of a Unit Owner, or of his agent, servant, tenant, family member, invitee, licensee or household pet, damage shall be caused to the Common Elements or to a Unit or Units owned by others, or maintenance, repair or replacement is required, the cost of which would otherwise be a Common Expense, then such Unit Owner shall pay for such damage or such maintenance, repair and replacements, as may be determined by the Association, to the extent not covered by the Association's insurance.

The authorized representatives of the Association or Board, or the authorized representatives of the Managing Agent, with approval of the Board, shall be entitled to reasonable access to the individual Units and Limited Common Elements as may be required in connection with the preservation of any individual Unit or the Limited Common Elements in the event of an emergency, or in connection with maintenance of, repairs or replacements within the Common Elements, Limited Common Elements or any equipment, facilities or fixtures affecting or serving other Units, the Common Elements or the Limited Common Elements or to make any alteration required by any governmental authority.

16. *Alterations, Additions or Improvements.* Except as provided in Paragraph 22(b) below, no alteration of any Common Elements, or any additions or improvements thereto, shall be made by any Unit Owner without the prior written approval of the Board. Subject to the provisions of the Act, the Board may authorize and charge as Common Expenses alterations, additions and improvements of the Common Elements as provided in the By-Laws. Any Unit Owner may make alterations, additions or improvements within the Unit of the Unit Owner without the prior written approval of the Board, but such Unit Owner shall be responsible for any damage to other Units, the Common Elements, the Property, or any part thereof, resulting from such alterations, additions or improvements.

17. *Decorating.* Each Unit Owner, at his own expense, shall furnish and be responsible for all decorating within his own Unit and within the Limited Common Elements serving his Unit, as may be required from time to time, including, but not limited to, painting, wall papering, washing, cleaning, panelling, floor covering, draperies, window shades, curtains, lighting and other furnishings and decorating. Each Unit Owner shall be entitled to the exclusive use of the interior surfaces of the perimeter walls, floor and ceilings of his Unit, and such Unit Owner shall maintain said interior surfaces in good condition at his sole expense, as may be required from time to time. Said maintenance and use of interior surfaces shall be subject to the rules and regulations of the Association, but each such Unit Owner shall have the right to decorate such interior surfaces from time to time as he may see fit and at his sole expense. Decorating of the Common Elements (other than interior surfaces within the Units as above provided and other than of Limited Common Elements) and any redecorating of Units, to the extent such redecorating of Units is made necessary by damage to Units caused by maintenance, repair or replacement of the Common Elements by the Association, shall be furnished by the Association as part of the Common Expenses. The interiors of all windows forming part of a perimeter wall of a Unit shall be cleaned and washed at the expense of the Unit Owner of that Unit.

18. *Encroachments.* If any portion of the Common Elements encroaches upon any Unit, any Unit encroaches upon any portion of the Common Elements, or any Unit encroaches upon another Unit, as the Common Elements and Units are shown by the surveys comprising the Plat, there shall be deemed to exist valid mutual servitudes in favor of the owners of the Common Elements and the respective Unit Owners involved to the extent of such encroachment, so long as the same exist; provided, however, that no such servitude shall arise in favor of any Unit Owner if the encroachment interferes with the structural integrity of any of the Common Elements or the use and enjoyment thereof by other Unit Owners; and provided, further, that no such servitude shall arise in favor of any Unit Owner who creates an encroachment by his intentional, willful, or negligent conduct or that of his agent.

19. *Transfer of a Unit.*

A. *Unrestricted Transfers.* Subject to subparagraph B, below, a Unit Owner may, without restriction under this Declaration, sell, give, devise, lease or otherwise transfer his Unit, or any interest therein, to his spouse, or to his child, parent, brother, sister, grandchild or descendant or to any one or most of them, or to any trustee or a trust, the sole beneficiary of which is the Unit Owner or his spouse, child, parent, brother, sister, grandchild or descendant or any one or more of them or to any other Unit Owner. Notice of any such unrestricted transfer shall be given to the Board within five (5) days following consummation of such transfer or, in the case of any transfer pursuant to Paragraph 20 or 21 hereof, the requirements of said Paragraphs shall apply to such transfer.

B. *Limit on Term of Lease.* No Unit, other than a Commercial Unit, shall be leased by a Unit Owner for a term greater than two (2) years. No Commercial Unit shall be leased for a primary term of greater than ten (10) years, nor shall any lease of a Commercial Unit provided for more than two (2) renewal terms or any renewal term in excess of five (5) years. A copy of every such lease, as and when executed, shall be furnished to the Board. The lessee under every such lease shall be bound by and subject to all of the obligations, under the Declaration and the By-Laws, of the Unit Owner making such lease and the lease shall expressly so provide. The Unit Owner making such lease shall not be relieved thereby from any of said obligations. Every such lease shall also expressly provide that the Association may exercise against the lessee thereunder any and all remedies available to the Association under Paragraph 23 of this Declaration, including, but not limited to, the right to take possession of the Unit, or of the interest therein, leased thereunder. Upon the expiration or termination of any such lease, or in the event of any attempted subleasing thereunder, the provisions below with respect to the Association's right of first option shall again apply to the Unit, or to the interest therein, leased thereunder.

C. *Notice to Association of Certain Transfers.* Whenever a Unit Owner shall propose to sell, give, devise, lease or otherwise transfer his Unit, or any interest therein, to any person or entity other than a person or entity described in subparagraph A, above, said Unit Owner shall give the Association not less than thirty (30) days prior written notice of the proposed transfer, which notice shall briefly describe the type of transfer proposed by the Unit Owner and shall state the name, address and financial and character references of the proposed transferee. The notice shall also include a copy of the proposed lease, contract for sale or other documents, if any, affecting said transfer.

D. *Association's First Option.*

(a) *If Proposed Transfer is a Sale or Lease.* If a Unit Owner proposes to sell or lease his Unit, or any interest therein, to any person or entity other than a person or entity described in subparagraph A, above, the Association shall have the first right, at its option, to purchase or lease such Unit, or interest therein, from said Unit Owner (the "transferring party") upon the terms described in the notice of the proposed transfer which is given to the Association, in accordance with subparagraph C, above, provided, however, that such option and first right shall expire thirty (30) days after said notice is given, in accordance with subparagraph C, above.

(b) *If Proposed Transfer is a Gift.* If a Unit Owner proposed to make a gift of his Unit, or any interest therein, to any person or entity other than a person or entity described in subparagraph A, above, the Association shall have the right, at its option, to purchase such days after notice of said proposed transfer is given to the Association, in accordance with subparagraph C, above. The price to be paid by the Association for the said Unit, or interest therein, shall be agreed upon by said Unit Owner (the "transferring party") and the Association, or, if not promptly agreed upon, shall be determined in accordance with the procedure set forth in subparagraph E, below.

(c) *If Proposed Transfer is Upon the Death of a Unit Owner.* If a Unit Owner dies and under applicable law his Unit, or any interest therein, is subject to a probate proceeding, the Association shall have the first right, at its option, to purchase said Unit, or interest therein, either from the legatee thereof named in the deceased Unit Owner's will, if any, or from the appointed succession representative of such deceased Unit Owner who is empowered or authorized to sell the Unit (the "transferring party"), provided, however, that such first right and option shall expire six (6) months following the date notice is given to the Association of the appointment of said succession legatee of said Unit interest therein. However, the foregoing option shall not apply to any such transfer upon the death of a Unit Owner to a person or entity described in subparagraph A, above. The price to be paid by the Association for said Unit, or interest therein, shall be agreed upon by the Association and said transferring party, or, if not promptly agreed upon, shall be determined in accordance with the procedure set forth in subparagraph E, below.

E. *Determination of Disputed Purchase Price.* If the price to be paid by the Association for a Unit or interest therein, pursuant to subparagraph D(b) and (c) above, is not promptly agreed upon, said price shall be equal to the fair market value of the Unit, as determined by an M.A.I. appraiser mutually agreed upon by the transferring party and the Association, and, in the event of no prompt agreement on said appraiser, by a majority decision of three M.A.I. appraisers, one chosen by the transferring party, one chosen by the Association and the third chosen by the two appraisers. The cost of said appraiser or appraisers shall be paid one-half by the transferring party and one-half by the Association as a Common Expense.

F. *Election Not to Exercise First Option.* The Board shall have authority, on behalf of and in the name of the Association, to elect not to exercise the Association's first option hereunder, and shall promptly give written notice of said election to the transferring party. Upon receipt of notice of a proposed transfer, the Board shall, within ten (10) days thereafter, hold a meeting of directors or poll all directors for the purpose of voting upon whether the Board shall elect not to exercise the Association's first option hereunder. The Association shall be deemed to have elected not to exercise its first option either (i) the

Association notifies the transferring party that it has elected not to exercise its option, or (ii) the Association fails to notify the transferring party, before expiration of the applicable option period provided herein, that the Association elects to exercise its option.

If the Association elects not to exercise its first option, in the case of a proposed sale, lease or gift of a Unit, or any interest therein, the transferring party may proceed to close said proposed transfer any time within forty-five (45) days after said election. Thereafter, said transfer of the Unit, or any interest therein, shall become again subject to the Association's right of first option, as herein provided.

A certificate executed by the President, Vice-President, Secretary or other duly authorized officer of the Association, certifying that the Association, by its Board, has elected not to exercise its first option, shall be conclusive evidence of such election and of a Unit Owner's compliance with the provisions hereof. Such a certificate shall be furnished to a Unit Owner upon his compliance with the provisions hereof, provided the Unit Owner requests such certificate from the Association in writing and pays the Association a reasonable fee for such said certificate.

G. Election to Exercise First Option. The Board shall have authority to recommend to the Unit Owners that the Association elect to exercise the Association's first option hereunder. Upon receipt of notice of a proposed transfer, the Board shall, within ten (10) days thereafter, hold a meeting of directors or poll all directors for the purpose of voting upon whether the Board should make such recommendation.

In the event the Board shall decide to recommend to the Unit Owners that the Association elect to exercise its option, the Board shall call and hold a meeting of all the Unit Owners, within the twenty (20) days following its determination to recommend such election, for the purpose of voting upon whether the Association will elect to exercise its option. If Unit Owners owning not less than seventy-five percent (75%) of the total ownership of the Common Elements, by affirmative vote at such meeting or by written proxy or consent, elect to exercise the Association's option, then the Board shall promptly give written notice of said election to the transferring party.

H. Association's Right to Purchase at a Judicial Sale. The Board shall have the power and authority to bid and purchase, for and on behalf of the Association, any Unit, or interest therein, at a sale pursuing to a mortgage foreclosure, a foreclosure of the lien for Common Expenses under the Act, or an order or direction of a court, or at any other involuntary sale, upon the consent or approval of Unit Owners owning not less than seventy-five percent (75%) of the total ownership of the Common Element. Such consent shall set forth a maximum price which the Board or its duly authorized agent may bid and pay for said Unit or interest therein.

I. Financing of Purchase by Association. The Board shall have authority to make such mortgage arrangements, as the Board may deem desirable, in order to close and consummate the purchase or lease of a Unit, or interest therein, by the Association. However, no such financing arrangement may be secured by an encumbrance on any interest in the Property other than the Unit, or interest therein, to be purchased or leased, and the percentage interest in the Common Elements appurtenant thereto.

J. Miscellaneous.

(a) A transfer or lease of a Unit, or interest therein, by or to the Board, the Appearer or the holder of any mortgage on the Property or any portion thereof, or on a Unit, which mortgage comes into possession of the mortgaged Unit pursuant to remedies provided in such mortgage, or pursuant to foreclosure of such mortgage, or pursuant to a deed (or assignment) in lieu of foreclosure of such mortgage or a transfer or lease of a Commercial Unit or an interest therein, shall not be subject to the provisions of this Paragraph 19. This provision shall not be amended, modified or rescinded without the prior written consent of all holders of a recorded mortgage encumbering any one or more Units in the Building.

(b) The Association shall hold title to or lease any Unit, pursuant to the terms hereof, in the name of the Association, or a nominee thereof delegated by the Board, for the sole benefit of all Unit Owners. The Board shall have the authority at any time to sell, lease or sublease said Unit on behalf of the Association upon such terms as the Board shall deem desirable, but in no event shall a Unit be sold for less than the amount paid by the Association to purchase said Unit unless Unit Owners owning not less than seventy-five percent (75%) of the total ownership of the Common Elements first authorize the sale for such lesser amount.

(c) All notices referred to or required under this Paragraph 19 shall be given in the manner provided in this Declaration for the giving of notices.

(d) The provisions of this Paragraph 19 with respect to the Association's right of first option shall

be and remain in full force and effect until the Property as a whole shall be sold or removed from the provisions of the Act, as provided therein, unless the provisions of this Paragraph 19 are sooner rescinded or amended by the Unit Owners.

(e) The Board may adopt rules and regulations, from time to time, not inconsistent with the provisions of this Paragraph 19, for the purpose of implementing and effectuating said provisions.

(f) If any transfer or lease of a Unit is made or attempted without complying with provisions of this Paragraph 19, such transfer or lease shall be subject to each and all of the rights and options of, and remedies and actions available to, the Association hereunder and otherwise.

(g) Unless otherwise provided in this Declaration or the By-Laws, in the event of any transfer of a Unit, or any interest therein, the transfer shall be liable in solido with the transferor for all unpaid assessments of the transferor accrued and payable prior to the date of transfer.

20. *Transfer of Limited Common Elements.* The use of Limited Common Elements may be transferred between Unit Owners having rights thereto at their expense, provided that such transfer is made in compliance with the Act and the requirements of this Paragraph 20. Rights and obligations with respect to any of the Limited Common Elements shall not be affected, nor shall any transfer thereof be effective, unless such transfer is in compliance with requirements of this Paragraph 20. Each such transfer shall be made by an amendment to this Declaration executed by all Unit Owners who are parties to the transfer and consented to by all other Unit Owners who have any right to use the Limited Common Elements affected thereby. Such amendment shall contain a certificate showing that a copy of the amendment has been delivered to and approved in writing by the Board, and shall contain a statement from the Unit Owners involved in the transfer setting forth any reapportionment of their respective percentages of ownership in the Common Elements resulting therefrom, the aggregate sum of which percentage interests shall not thereby change. If such Unit Owners cannot agree upon such reapportionment, the Board shall make such reapportionment. No such transfer shall be effective until such amendment is recorded.

21. *Combination of Units.* A Unit may be transferred by the Unit Owner thereof to the Unit Owner of a Unit or Units adjacent thereto, and may be combined with such adjacent Unit or Units, and made a part thereof, for use together with such adjacent Unit or Units (thereby forming a new larger Unit), and the Common Elements affected by such transfer and combination may be located or relocated, as required to effect such transfer and combination, provided that such transfer and combination is made in compliance with the Act and the following provisions. No rights and obligations with respect to any Unit shall be affected, no percentage of ownership in the Common Elements shall be reallocated, and no such transfer and combination shall be effective, unless the same is expressly provided for in this Paragraph 21 and unless the same is made in compliance with the requirements of this Paragraph 21. The Unit Owner or Unit Owners desiring to make such transfer and combination shall make written application to the Board requesting an amendment to this Declaration (including the Plat) and containing (i) a survey of the proposed alterations of the affected Units and the affected Common Elements and; (ii) a proposed reallocation to the new Unit to be created by such proposed transfer of the percentage of interest in the Common Elements appurtenant to such affected Units. Any Unit Owner desiring to alter any part of the Common Elements separating any located between and exclusively serving one or more Units to be transferred and combined pursuant to the provisions of this Paragraph 21 shall in addition comply with the applicable provisions of Paragraph 22(b) below. No such proposed transfer and combination shall be effective unless first approved in writing by a majority of members of the Board. If so approved by the Board, such proposed transfer and combination shall be effective upon (a) recording of an amendment to this Declaration, consistent with and reflecting said transfer and combination, and executed by the Unit Owner or Owners of the Units involved therein, together with an amended Plat, in accordance with the Act, and the provisions of Paragraph 24(b) below. Any expenses incurred in connection with accomplishing any such transfer and combination, as provided hereunder, including without limitation, attorneys fees, shall be paid by the Unit Owners of the Units involved, and such Unit Owners shall be jointly and severally liable for the payment thereof.

22. *Use and Occupancy Restrictions.*

(a) Except for the Commercial Units, each unit or any two adjoining Units used together shall be used as a residence or for such other use permitted by this Declaration, and for no other purpose, except that a professional or quasi-professional Occupant using a Unit as a residence may also use that Unit as an ancillary or secondary facility to an office established elsewhere. The foregoing restrictions as to residence shall not, however, be construed in such manner as to prohibit an Occupant from: (a) maintaining his personal professional library; (b) keeping his personal business or professional records or accounts; or (c) handling his personal business or professional telephone calls or correspondence. Such uses are expressly declared customarily incident to the principal residential use and not a validation of restrictions.

(b) Each Commercial Unit shall be used for any non-residential use permitted by the Comprehensive Zoning Ordinance of the City of New Orleans. Such use shall be of such character and quality as shall, in the reasonable opinion of the Board based upon non-arbitrary standards uniformly applied, be not inconsistent with the overall character and quality of The Carol Condominium as a high-quality, luxury residential condominium.

(c) That part of the Common Elements separating and located between and exclusively serving two or more adjacent Units used together (including, without limitation, portions of any hallway and any walls), may be altered to afford ingress and egress to and from such Units and to afford privacy to the Occupants of such Units when using such Common Elements, and that part of the Common Elements so altered may be used by the Unit Owner or Owners of such Units as a license pursuant to a license agreement with the Association, provided (i) such alterations shall not weaken, impair or endanger any of the Common Elements or any Unit (ii) the Unit Owner or Owners desiring to make such alterations shall notify the Board of the nature thereof not later than ten (10) days prior to commencing work; (iii) the expense of making such alterations shall be paid in full by the Unit Owner or Owners making such alteration; (iv) such Unit Owner or Owners shall pay in full the expense of restoring such Common Elements to their condition prior to such alteration in the event such Units shall cease to be used together, as aforesaid; and (v) such alteration shall not interfere with use and enjoyment of the Common Elements (other than the aforesaid part of the Common Elements separating such adjacent Units), including without limitation, reasonable access and ingress to and from the other Units in any hallway affected by such alteration.

(d) The common elements shall be used only by the Unit Owners and their agents, servants, tenants, family members, customers, invitees and licensees for access, ingress and egress from the respective Units and for such other purposes incidental to use of the Units; provided, however, the garage, the laundry room, receiving room, storage areas, and other areas designed for a specific use shall be used for the purposes approved by the Board. The use, maintenance and operation of the Common Elements shall not be obstructed, damaged or unreasonably interfered with by any Unit Owner, and shall be subject to any lease, concession or servitude, presently in existence or entered into by the Board at some future time, affecting any part or all of said Common Elements.

(e) No use or practice which is either an annoyance to Unit Owners or an interference with the peaceful possession and proper use of the Property by the Unit Owners shall be allowed.

(f) No immoral, improper, offensive or unlawful use shall be made of the Property. All valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed. The responsibility for meeting the requirements of governmental bodies for maintenance, modification or repair of any Unit or of the Common Elements shall be that of the Unit Owners, whose use shall require such action.

(g) Reasonable regulations concerning the use of the Property may be made and amended from time to time by the Board.

(h) No unit acquired after the effective date of this amendment whether by sale, donation, lease or operation of law, shall be used for transient residential purposes. For the purposes of this subparagraph, "transient residential purposes" shall mean occupancy of a unit by a person or persons not a member of the family of the owner of the unit or the lessee of the unit under a permitted lease as the principal occupant or occupants of such unit for period of not less than six (6) consecutive calendar months."

23. *Remedies.* In the event of any violation of the provisions of the Act, Declaration, By-Laws or rules and regulations of the Board or Association by any Unit Owner (either by his own conduct or by the conduct of any Occupant of his Unit) the Association, or its successors or assigns, or the Board, or its agents, shall have each and all of the rights and remedies which may be provided for in the Act, Declaration, By-Laws, or said rules and regulations, or which may be provided or permitted at law or in equity, and may prosecute an action or other proceedings against such defaulting Unit Owner and/or others for enforcement of any lien or for damages or injunction or specific performance, or for judgment for payment of money and collection thereof, as hereinafter in this paragraph provided, or for any combination of remedies, or for any other relief. All expenses of the Board in connection with any such actions or proceedings, including court costs and attorneys' fees and other fees and expenses and all damages, liquidated or otherwise, together with interest thereon at the rate of ten percent (10%) per annum until paid, shall be charged to and assessed against such defaulting Unit Owner, and shall be added to and deemed part of his respective share of the Common Expenses, and the Board shall have a lien for all of the same, as well as for non-payment of his respective share of the Common Expenses, upon the Unit and ownership interest in the Common Elements of such defaulting Unit Owner and upon all of his additions and improvements thereto, provided, however, that such lien shall be subordinate to the lien of any prior recorded mortgage on the Property or any portion thereof or the interest of such Unit Owner, held by any existing mortgage of the Property, its successors and assigns, an insurance company, bank homestead savings and loan or other lending institution or institutional investor, except for the amount of the proportionate share of said Common Expenses which become due and payable from and after the date on which the said mortgagee either takes possession of the Unit, accepts a conveyance of any interest therein (other than as a security) or files suit to foreclose its mortgage and causes a receiver to be appointed. In the event of any such default by any Unit Owner, the Board and the manager or Managing Agent, if so authorized by the Board, shall have the authority to correct such default, and to do whatever may be necessary for such purpose and all expenses in connection therewith shall be charged to and assessed against such defaulting Unit Owner, together with interest thereon at the rate aforesaid. Any and all such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Board. This paragraph shall not be amended, changed, modified or rescinded without the prior consent of all such holders of a recorded mortgage encumbering any one or more Units in the Building.

If any Unit Owner (either by his own conduct or by the conduct of any Occupant of his Unit) shall violate any provision of the Act, this Declaration or the regulations of the Association, and if such default or violation shall continue for ten (10) days after notice to the Unit Owner in writing from the Board, or shall occur repeatedly during any ten (10) days after notice to the Unit Owner in writing from the Board, or shall occur repeatedly during any ten (10) day period after such written notice or request to cure such violation from the Board, then the Board shall have the power to institute an action for a decree of mandatory or prohibitory injunction against such defaulting Unit Owner or Occupant, or in the alternative, for a decree declaring the termination of said defaulting Owner's right to occupy, to enjoin, abate or remedy such violation.

24. *Amendment.*

(a) Subject to the requirements of this Paragraph 24, and of Paragraph 10, subparagraph 19 (j) (a) and Paragraphs 21 and 23 above, and except as otherwise provided in subparagraphs 14 (a) and (e) and Paragraphs 20 and 21 above, and subparagraph 24 (b) and (c) below, and the provisions of the Act, the provisions of this Declaration may be amended, modified or rescinded by a resolution setting forth such amendment, modification or rescission and duly adopted by the affirmative vote of not less than eighty per cent (80%) of the Unit Owners, or by an instrument in writing setting forth such amendment, modification or rescission and signed by not less than eighty per cent (80%) of the Unit Owners and duly acknowledged before a Notary Public. All holders of a recorded mortgage or lien creditors encumbering any one or more Units in the Building shall be notified by certified mail or any such amendment, modification or rescission and an affidavit by the Secretary of the Association certifying to such mailing shall be made a part of any instrument effecting such amendment, modification or rescission. No such amendment, modification or rescission shall change the boundaries of any Unit, the undivided interest in the Common Elements appurtenant to any Unit, the number of votes in the Association allocated to any Unit, or the liability for Common Expenses appertaining to any Unit, except to the extent authorized by this Declaration or by the Act.

(b) Where the provisions of either subparagraphs 14 (a) or (e) have been complied with, relating to casualty or eminent domain, or the provisions of Paragraph 20 have been complied with, relating to the transfer of Limited Common Elements, the President of the Board, or any other officer thereof authorized by a resolution duly adopted by the Board or authorized by the By-Laws, this Declaration, or the Act, shall execute and record an amendment to this Declaration setting forth all pertinent aspects of the events or transaction resulting in such amendment, and a legal description sufficient to indicate the location of any property involved in said events or transactions, and specifying any resultant reapportionment of percentages of ownership in the Common Elements, and shall concurrently therewith record either an amended Plat depicting the same and conforming to the requirements of the Act; or a certification of the Plat previously recorded, that is in accordance with the certification requirements of the Act; provided, however, that any such amendment to this Declaration, amended Plat or certification shall be prepared at the expense of the Unit Owners affected thereby if made pursuant to Paragraph 20 or 21 subparagraphs 24 (b) and (c) hereof.

(c) If the Act, this Declaration, or the By-Laws require the consent or agreement of all Unit Owners or of all holders of a recorded mortgage or lien creditors encumbering any one or more Units in the Building, or both, for any action specified in the Act or in this Declaration, then any instrument amending, modifying or rescinding any provision of this Declaration with respect to such action shall be signed by all Unit Owners or all such lien holders, or both, as the case may be, as required by the Act, this Declaration, or the By-Laws.

(d) Any amendment, modification or rescission of this Declaration pursuant to this Paragraph 24 or any other provision of this Declaration or of the Act shall be valid and effective only upon the recording thereof, together with an amended Plat if required hereby or by the Act, in the Office of the Register of Conveyances for the Parish of Orleans, State of Louisiana. This Declaration may not be amended, modified, or rescinded so as to conflict with the provisions of the Act.

25. *Notices.* Notices provided for in the Act, Declaration of By-Laws shall be in writing, and shall be addressed to the Association or Board, or any Unit Owner, as the case may be, at 2100 St. Charles Avenue, New Orleans, Louisiana 70140, or at such other address as hereinafter provided. The Association or Board may designate a different address or addresses for notices to them, respectively, by giving written notice of such change of address to all Unit Owners. Any Unit Owner may designate a different address for notices to him by giving written notice to the Association. Notices addressed as above shall be deemed delivered two (2) business days after mailing by United States registered or certified mail, or when delivered in person.

Upon written request to the Board, the holder of any recorded mortgage encumbering any one or more Units in the Building shall be given a copy of all notices permitted or required by this Declaration, the By-Laws or the Act to be given to the Unit Owner or Owners whose Unit is subject to such mortgage.

26. *Headings.* The headings of paragraphs and sections in this Declaration and the By-Laws are for convenience or reference only and shall not in any way limit or define the content or substance of such paragraphs and sections.

27. *Number and Gender.* As used in this Declaration, the singular shall include the plural, and masculine,

feminine, and neuter pronouns shall be fully interchangeable, where the context so requires.

28. *Severability.* If any provision of the Declaration or By-Laws, or any section, sentence, clause, phrase, word, or the application thereof in any circumstance, is held invalid, the validity of the remainder of this Declaration and the By-Laws and of the application of any such provision, section, sentence, clause, phrase or word in any other circumstances shall not be affected thereby and the remainder of this Declaration or the By-Laws shall be construed as if such invalid part was never included therein.

29. *Rights and Obligations.* Each grantee of the Appearer, by the acceptance of an act of conveyance, accepts the same subject to all restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers created or reserved by this Declaration. All rights, benefits and privileges of every character hereby imposed shall be deemed and taken to be covenants running with the land, and shall bind any person having at any time interest in the Parcel, the Property, or any portion thereof, and shall inure to the benefit of such grantee in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every act of conveyance or contract for conveyance.

IN WITNESS WHEREOF, the said Appearer, has caused its seal to be affixed hereunto and has caused its name to be signed to these presents, this _____ day of _____, 197____.

Appearer

WITNESSES:

By _____

Attest:

Assistant Secretary

STATE OF LOUISIANA
PARISH OF _____

BEFORE ME, the undersigned Notary Public, duly commissioned and qualified in and for said Parish and State, personally came and appeared _____, to me known, who declared and acknowledged to me, Notary, and the undersigned competent witnesses that he is the _____ of the _____, that as such duly authorized officer, by and with the authority of the Board of Directors of said Corporation he signed and executed the foregoing instrument, as the free and voluntary act and deed of said corporation, for and on behalf of said corporation and for the objects and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal and the said appearer and the said witnesses have hereunto affixed their signatures this the _____ day of _____, A.D. 19____.

WITNESSES:

NOTARY PUBLIC

EXHIBIT A

A certain piece or portion of ground, together with all of the buildings and improvements thereon and all servitudes, rights and appurtenances thereunto belonging or in anywise appertaining, situated in the State of Louisiana, Parish of Orleans, in the Fourth Municipal District of the City of New Orleans, in the Square No. 210, bounded by St. Charles and Jackson Avenues and Josephine and Prytania Streets; and which, according to a survey by Walker and Avery, Inc., Surveyors, dated _____ is more particularly described as follows:

Beginning at the corner formed by St. Charles and Jackson Avenues in the aforesaid district and square, thence along the margin of St. Charles Avenue a distance of 319 feet 10 inches 0 lines to Josephine Street; thence along Josephine Street towards Prytania Street a distance of 245 feet 7 inches 5 lines to a point; thence along a line parallel to St. Charles Avenue towards Jackson Avenue a distance of 159 feet 11 inches 0 lines to a point; thence along a line parallel to Jackson Avenue towards St. Charles Avenue a distance of 137 feet 3 inches 0 lines to a point; thence along a line parallel to St. Charles Avenue towards Jackson Avenue a distance of 159 feet 11 inches 5 lines to Jackson Avenue; thence along the margin of Jackson Avenue towards St. Charles Avenue a distance of 108 feet 4 inches 5 lines to the point of beginning. The foregoing is composed of lots A-1, 12-16, 8 pt. 9, and pt. 9, 10, 11, sometimes designated as lot B.

Subject to the following:

- (a) Any and all servitudes, restrictions, limitations or reservations of record.
- (b) Any and all laws, ordinances or regulations imposed by any governmental agency.
- (c) Encroachments, including but not limited to any encroachment by the canopy, if any.
- (d) Rights of tenants under leases affecting common elements of the property.

EXHIBIT C
PERCENTAGE INTEREST CHART

Unit No.	Percentage Interest in Common Elements & Common Surplus and Share of Common Expenses	Unit No.	Percentage Interest in Common Elements & Common Surplus and Share of Common Expenses	Unit No.	Percentage Interest in Common Elements & Common Surplus and Share of Common Expenses
2A	.6217	6D	.7922	10J	.3830
2B	.6643	6E	.3830	10K	.7922
2C	.8889	6F	.6016	10L	.8889
2D	.7922	6G	.5916	10M	.7596
2E	.3830	6H	.6016	10N	.4758
2F	.6016	6J	.3830	11A-1	.3785
2G	.5916	6K	.7922	11B	.6643
2H	.6016	6L	.8889	11C	.8889
2J	.3830	6M	.7596	11D	.7922
2K	.7922	6N	.2432	11E	.3830
2L	.8889	7A-1	.3785	11F	.6016
2M	.7596	7B	.6643	11G	.5916
3A-1	.3785	7C	.8889	11H	.6016
3B	.6643	7D	.7922	11J	.3830
3C	.8889	7E	.3830	11K	.7922
3D	.7922	7F	.6016	11L	.8889
3E	.3830	7G	.5916	11M	.7596
3F	.6016	7H	.6016	11N	.2432
3G	.5916	7J	.3830	12A-1	.3785
3H	.6016	7K	.7922	12B	.6643
3J	.3830	7L	.8889	12C	.8889
3K	.7922	7M	.7596	12D	.7922
3L	.8889	7N	.2432	12E-F	.9846
3M	.7596	8A	.6217	12G	.5916
3N	.2432	8B	.6643	12H	.6016
4A-1	.3785	8C	.8889	12J	.3830
4B	.6643	8D	.7922	12K	.7922
4C	.8889	8E	.3830	12L	1.0821
4D	.7922	8F	.6016	12M	.5610
4E	.3830	8G	.5916	12N	.2432
4F	.6016	8H	.6016	PHA-1	.7626
4G	.5916	8J	.3830	PHB	1.0804
4H	.6016	8K	.7922	PHC	.4939
4J	.3830	8L	.8889	PHD-E	.7631
4K	.7922	8M	.7596	PHF	.4237
4L	.8889	9A-1	.3785	PHG	.4287
4M	.7596	9B	.6643	PHH	.7114
4N	.2432	9C	.8889	PHJ	.3730
5A-1	.3785	9D	.7922	PHK	.7731
5B	.6643	9E	.3830	PHL	1.1120
5C	.8889	9F	.6016	PHM	.3790
5D	.7922	9G	.5916	PHN	.6026
5E	.3830	9H	.6016	Commercial	
5F	.6016	9J	.3830	Unit I	2.4305
5G	.5916	9K	.7922	Commercial	
5H	.6016	9L	1.1259	Unit II	.6642
5J	.3830	9M	.5149	Commercial	
5K	.7922	9N	.2432	Unit III	.2963
5L	.8889	10B+	.8889	Commercial	
5M	.7596	10C	.8889	Unit IV	.2226
5N	.2432	10D	.7922	Commercial	
6A-1	.3785	10E-F	.9842	Unit V	.6127
6B	.6643	10G	.5916	Commercial	
6C	.8889	10H	.6016	Unit VI	.1504

EXHIBIT D

ARTICLES OF INCORPORATION
OF
CAROL CONDOMINIUM ASSOCIATION, INC.

THE UNDERSIGNED hereby associate themselves for the purpose of forming a corporation not for profit, under La. R.S. 12:201, et seq. (Louisiana Non-profit Corporation Law) and certify as follows:

ARTICLE I

NAME

The name of the corporation shall be CAROL CONDOMINIUM ASSOCIATION, INC.

ARTICLE II

DEFINITION

As used in these Articles of Incorporation, unless the context otherwise requires:

- A. *Association* means the corporation created by these Articles of Incorporation.
- B. *Condominium* refers to the immovable property and improvement thereon described on Exhibit "A" to be converted to the condominium form of ownership by the registry of a Declaration of Condominium.
- C. *Condominium unit* means a condominium parcel susceptible of private ownership.
- D. *Corporation* means the corporation formed by these Articles of Incorporation.
- E. *Member or members* means the owner or owners of individual condominium units in the Condominium who, by virtue of these Articles of Incorporation, are members of the corporation.
- F. *Owner or owners* means the owner or owners of individual condominium units in the Condominium.

ARTICLE III

PURPOSE

The purpose for which the corporation is organized is as follows:

For the purpose of operating and managing a condominium for the use and benefit of the owners of the condominium parcels as the agent of said owners.

ARTICLE IV

POWERS

- A. To operate and manage a condominium apartment building and other facilities for the use and benefit of the individual owners of the condominium parcels as the agent of said owners.
- B. To carry out all of the powers and duties vested in it pursuant to the Declaration of Condominium and By-Laws of the condominium and the regulations of the condominium.
- C. The corporation shall be authorized to exercise and enjoy all of the powers, rights and privileges granted to or conferred upon corporations of a similar character by the provisions of La. R.S. 12:201 et seq. titled "Louisiana Non-profit Corporation Law" now or hereafter in force, and to do any and all of the things necessary to carry out its operations as a natural person might or could do.
- D. The corporation shall be authorized to exercise and enjoy all of the powers, rights and privileges granted to or conferred upon corporations of a similar character by the provisions of La. R.S. 9:1101, et seq., entitled the Louisiana Condominium Act now or hereafter in force.
- E. No compensation shall be paid to Directors for their services as Directors. Compensation may be paid to a Director in his or her capacity as an officer or employee or for other services rendered to the corporation outside of his or her duties as a Director. In this case, however, said compensation must be approved in advance by the Board of Directors, and the Director to receive said compensation shall not be permitted to

vote on said compensation. The Directors shall have the right to set and pay all salaries or compensation to be paid to officers, employees or agents or attorneys for services rendered to the corporation.

F. All funds and the titles to all properties acquired by this corporation and the proceeds thereof shall be held in trust for the owners of the condominium parcels in accordance with the provisions of the Declaration of Condominium and its supporting documents.

G. All of the powers of this corporation shall be subject to and shall be exercised in accordance with the provisions of the Declaration of condominium together with its supporting documents which govern the use of the land to be operated and administered by this corporation.

H. The corporation is expressly authorized to enter into a management agreement subject to the provisions of La. R.S. 12:201, et seq., with such individual or legal entity as may be approved by the Board of Directors of the association.

I. The corporation shall have the power and right to purchase or lease a resident manager's apartment and hold the title to the same in its name and pay the purchase price or rental for the same. This power shall include the power to execute a note and mortgage or assume the obligation of any existing note or mortgage encumbering said apartment.

ARTICLE V

MEMBERSHIP

The qualification of members, the manner of their admission and voting by members shall be as follows:

A. This corporation shall be organized without any capital stock.

B. All unit owners of condominium parcels in the Condominium shall be members of the corporation, and no other persons or other entities shall be entitled to membership.

C. After the Declaration of Condominium has been registered, the persons shall become members of the Association by the recording in the Conveyance records of the Parish of Orleans, State of Louisiana, of a deed or other instrument establishing a change of record title to a condominium parcel and the delivery to the corporation of a certified copy of such instrument, the new owner designated by such instrument thereby becoming a member of the corporation, and the membership of the prior owner shall at that time be terminated.

D. The interest of any member in any part of the real property or in the funds and assets of the corporation cannot be conveyed, assigned, mortgaged, hypothecated or transferred in any manner, except as an appurtenance to the condominium parcel.

E. Voting by the members of the Condominium in the affairs of the corporation shall be on the following basis.

1. The aggregate number of votes for all unit owners shall be one hundred (100), and shall be divided among the respective unit owners in accordance with their respective percentages of ownership interest in the common elements; provided, however, that if at any time thirty per cent (30%) or fewer of the units, by number, possess over fifty per cent (50%) in the aggregate of the undivided ownership in the common elements, then any percentage vote of the unit owners specified in the Louisiana Condominium Act, the Declaration of the By-Laws, shall require the vote of the specified percentage of units (on the basis of one vote per unit), rather than the specified percentage of ownership interest in the common elements allocated to units that would otherwise be applicable. If any unit owner consists of more than one person, the voting rights of such unit owner shall not be divided but shall be exercised as if the unit owner consisted of only one person in accordance with the proxy or other designation made by the persons constituting such unit owner.

Voting rights shall be exercised in accordance with the provisions of the Declaration of Condominium and By-Laws of the Corporation.

ARTICLE VI

CORPORATE EXISTENCE

This corporation shall continue to exist so long as the Condominium shall be in existence.

The corporation may be terminated by termination of the Condominium in accordance with the conditions as set forth in the Declaration of Condominium and supporting documents.

ARTICLE VII

REGISTERED AGENT AND OFFICE AND RESIDENT AGENT

The registered agent and resident agent upon whom service of process may be effected for the corporation is HENRY O'CONNOR, JR., and the registered office is 1440 Oil and Gas Building, New Orleans, Louisiana 70112.

ARTICLE VIII

DIRECTORS

A. Subject to the provisions of these Articles, the Declaration and the Act, all of the powers of this Association are vested in the Board of Directors.

B. The Board of Directors shall consist of not less than three (3) nor more than six (6) members.

C. The exact number of Directors, the procedure for their election, their terms of office, qualifications, procedures for filling vacancies on the Board, procedures for removal of Directors, compensation and the powers and duties of Directors shall be established by the By-Laws of this Association.

ARTICLE IX

DIRECTORS AND OFFICERS

The names and post office addresses of the first Board of Directors and the officers of the corporation who shall hold office until their successors are elected and qualified are as follows:

NAME	ADDRESS	TITLE
THOMAS E. SCHMITT	635 River Chase Pt., N.E. Atlanta, Georgia 30328	President and Director
CARL EDWARDS	77 East Andrews Drive Atlanta, Georgia 30305	Vice President and Director
STUART M. NEIMAN	3340 Peachtree Road, N.E. Suite 2365 Atlanta, Georgia 30326	Vice President and Director
ROBERT A. HAYDEN	757 Starlight Court, N.E. Atlanta, Georgia 30342	Treasurer and Director
NANCY M. CURTIS	757 Starlight Court, N.E. Atlanta, Georgia 30342	Secretary and Director
STEPHEN W. BEAUCHAMP	2712 N.W. 47th Lane Lauderdale Lakes, Florida 33313	Director

ARTICLE X

INCORPORATOR

The following constitutes the original incorporator and subscriber of the Articles of Incorporation of this Association.

NAME	ADDRESS
HENRY O'CONNOR, JR.	1440 Oil and Gas Building New Orleans, Louisiana 70112

ARTICLE XI

BY-LAWS

The By-Laws of the corporation shall be adopted by the Board of Directors. The amendment, alteration or rescission of the By-Laws shall be by the Board of Directors, subject to the approval of at least eighty per cent (80%) of the members of the corporation.

ARTICLE XII

AMENDMENTS TO ARTICLES OF INCORPORATION

Section 1. The Articles of Incorporation may be amended by the members at a duly constituted meeting

for such purpose, provided, however, that no amendment shall take effect unless approved by a majority of the members of the Board of Directors and by members representing at least eighty per cent (80%) of the votes in the condominium, as set forth in the Declaration of Condominium. Any amendment to the Articles of Incorporation may also be approved by any member of the Board of Directors or by any member by an instrument in writing executed before, during or after said duly constituted meeting. Notice of the subject matter of any proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

Section 2. No amendment to the Articles of Incorporation shall be valid without the written consent of one hundred per cent (100%) of the members as to any of the following:

No amendment may be made which in any way changes the percentage of ownership owned by any member of a condominium parcel in the general common elements of the condominium, or which in any way changes or modifies the voting rights of any member, or which in any way modifies the percentage of the assessment to be levied against any member for the operation and maintenance of the limited common elements or general common elements of the condominium

Section 3. No amendment to the Articles of Incorporation shall be effective until the same has been recorded with the Secretary of State of the State of Louisiana and the Recorder of Mortgages for the Parish of Orleans, State of Louisiana.

ARTICLE XIII

ASSESSMENTS AND FUNDS

A. All assessments paid by the owners of condominium parcels for the maintenance and operation of the Condominium, shall be utilized by the corporation to pay for the cost of said maintenance and operation. The corporation shall have no interest in any funds received by it through assessments from the owners of individual condominium parcels except to the extent necessary to carry out the powers vested in it as agent for said members.

B. The corporation shall make no distribution of income to its members, directors or officers, and it shall be conducted as a non-profit corporation.

C. Any funds held by the corporation from its receipts, over and above its common expenses, shall be known as the common surplus of the corporation and the same shall be held for the use and benefit of the members in proportion to the percentage of their ownership in the limited and general common elements of the condominium.

D. Upon termination of the condominium and dissolution or final liquidation of this corporation, the distribution to the members of this corporation of the common surplus in proportion to the percentage of their ownership in the common elements shall not constitute or be deemed to be a dividend or distribution of income.

ARTICLE XIV

INDEMNIFICATION

Every director and every officer of the corporation shall be indemnified by the corporation against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved by reason of his being or having been a director or officer of the corporation, or any settlement thereof, whether or not he is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being for the best interest of the corporation. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

IN WITNESS WHEREOF, the Incorporators and Subscribers have set their hands and seals to these Articles of Incorporation this _____ day of _____, 1979.

WITNESSES:

_____ HENRY O'CONNOR, JR., Incorporator

STATE OF LOUISIANA

ss:

PARISH OF ORLEANS

I HEREBY CERTIFY that on this day, before me, a Notary Public, duly authorized in the State and Parish named above to take acknowledgements, personally appeared HENRY O'CONNOR, JR., to me known to be the person described as Incorporator and Subscriber in and who executed the foregoing Articles of Incorporation, and acknowledged before me that he subscribed to those Articles of Incorporation.

WITNESS my hand and official seal at New Orleans, Louisiana, this _____ day of _____, 1979.

NOTARY PUBLIC

EXHIBIT "E"
BY-LAWS
OF
CAROL CONDOMINIUM ASSOCIATION

ARTICLE I

Members
(Unit Owners)

SECTION 1. *Eligibility.* The CAROL CONDOMINIUM ASSOCIATION, a Louisiana non-profit corporation, shall have one class of membership, consisting of the respective Unit Owners of the Property known as Carol Condominium, located at 2100 St. Charles Avenue, New Orleans, Louisiana (called "Property"). Each such Unit Owner's respective membership interest in the Association shall be in accordance with his respective percentage of ownership interest in the Common Elements of the Property. (These and other terms are used in these By-Laws as they are defined in the Declaration of Condominium of Carol Condominium, which Declaration is recorded in the office of the Register of Conveyances for the Parish of Orleans, State of Louisiana. The words "member" or "members" as used in these By-Laws means and shall refer to "Unit Owner" or "Unit Owners," as the case may be, as defined in the Declaration).

SECTION 2. *Succession.* The membership of each Unit Owner shall automatically terminate when he ceases to be a Unit Owner, and upon the conveyance, transfer or other disposition of a Unit Owner's ownership interest in the Property, said Unit Owner's membership in the Association shall automatically be transferred to the new Unit Owner succeeding to such ownership interest. Upon the conveyance or, transfer, or other disposition of a portion of a Unit Owner's ownership interest, the transferring Unit Owner and the transferee thereof shall each be members of the Association in accordance with the percentage of ownership interest in the Common Elements of each following such conveyance or transfer.

SECTION 3. *Regular Meetings.* The Unit Owners shall hold a regular annual meeting, one of the purposes of which shall be to elect members of the Board. The first regular annual meeting of Unit Owners (the "First Meeting") may be held, subject to the terms hereof, on any date, at the option of the Board, provided, however, that said First Meeting shall be held not less than thirty (30) days and not more than sixty (60) days after Apparer has sold and executed its deed for at least seventy-five per cent (75%) of the Units or three (3) years after the date the Declaration is recorded, whichever is earlier. For this purpose, seventy-five per cent (75%) of the Units shall mean Units which correspond, in the aggregate, to seventy-five per cent (75%) of the undivided ownership of the Common Elements, as set forth in Exhibit C to the Declaration. Subsequent to the First Meeting, there shall be a regular annual meeting of Unit Owners held each year within fifteen (15) days of the anniversary of the First Meeting. All such meetings of Unit Owners shall be held at such place in Orleans Parish, and at such time as specified in the written notice of such meeting, which shall be delivered to all Unit Owners at least ten (10) days and not more than thirty (30) days prior to the date of such meeting. Such notice shall also state the purpose of such meeting.

SECTION 4. *Special Meeting.* Special meetings of the Unit Owners may be called by the President or by a majority of the directors of the Board, or by twenty per cent (20%) or more of the Unit Owners. Special meetings shall be called by delivering written notice to all Unit Owners not less than ten (10) days nor more than thirty (30) days prior to the date of said meeting, stating the date, time, place and purpose of said special meeting.

SECTION 5. *Delivery of Notice of Meeting.* Notices of meetings shall be delivered by or at the direction of the Secretary of the Association, and may be delivered either personally or by mail to a Unit Owner at the address given to the Board by said Unit Owner for such purpose, or to the Unit Owner's Unit, if no address for such purpose has been given to the Board.

SECTION 6. *Voting.* The aggregate number of votes for all Unit Owners shall be one hundred (100), and shall be divided among the respective Unit Owners in accordance with their respective percentages of ownership interest in the Common Elements; provided, however, that if at any time thirty per cent (30%) or fewer of the Units, by number, possess over fifty per cent (50%) in the aggregate of the undivided ownership in the Common Elements, then any percentage vote of the Unit Owners specified in the Act, the Declaration, or these By-Laws shall require the vote of the specified percentage of Units (on the basis of one vote per Unit), rather than the specified percentage of ownership interest in the Common Elements allocated to Units that would otherwise be applicable. If any Unit Owner consists of more than one person, the voting rights of such Unit Owner shall not be divided but shall be exercised as if the Unit Owner consisted of only one person in accordance with the proxy or other designation made by the persons constituting such Unit Owner. The

Appearer may exercise the voting rights with respect to Units owned by it. The following matters shall be subject to the affirmative vote of not less than seventy-five (75%) of the votes of all Unit Owners at a meeting duly called for that purpose: (a) the merger or consolidation of the Association; (b) the sale, lease, exchange, mortgage, pledge, or other disposition of all or substantially all of the property and assets of the Association; and (c) the purchases or sale of land or Units on behalf of all Unit Owners.

SECTION 7. *Quorum.* A quorum of Unit Owners for any meeting shall be constituted by Unit Owners represented in person or by proxy and holding one-third (1/3) of the votes entitled to be cast at such meeting.

SECTION 8. *Rules of the Meeting.* The Board may prescribe reasonable rules for the conduct of all meetings of the Board and Unit Owners.

ARTICLE II

Board of Directors

SECTION 1. *Number, Election and Term of Office.* The Board of Directors of the Association shall consist of six (6) members (hereinafter referred to as "directors"). Directors shall be elected at the regular annual meeting of Association members by the vote of Unit Owners, except that the directors (hereinafter called "members of the First Board") shall be appointed by Appearer. Those candidates for election as director receiving the greatest number of votes cast either in person or by proxy at the meeting shall be elected. Every director, except for members of the First Board, shall hold office for the term of three years and until his successor shall be elected and qualified. Two (2) members of the First Board shall hold office until the first regular annual meeting of Association members, two (2) other members of the First Board shall hold office until the second regular annual meeting of Association members, and two (2) other members of the First Board shall hold office until the third regular annual meeting of Association members.

SECTION 2. *Qualification.* Except for members of the First Board, each director shall be a Unit Owner or the spouse of a Unit Owner (if a Unit Owner is a corporation or partnership, a director may be an officer, partner or employee of such Unit Owner). If a Director shall cease to meet such qualifications during his term, he shall thereupon cease to be a director and his place on the Board shall be deemed vacant.

SECTION 3. *Vacancies.* Any vacancy occurring in the Board shall be filled by majority vote of the remaining members thereof, except that a vacant position on the Board which was last filled by a member of the First Board may be filled by a person appointed by the Appearer. Any director so elected or appointed to fill a vacancy shall hold office for a term equal to the unexpired term of the director which he succeeds.

SECTION 4. *Meetings.* At least four (4) regular meetings of the Board shall be held annually, one of which (the "regular annual meeting of the Board") shall be held within ten (10) days before or after the regular annual meeting of Unit Owners. Special meetings of the Board shall be held upon a call by the President or by a majority of the Board on not less than forty-eight (48) hours notice in writing to each director, delivered personally or by mail or telegram. Any director may waive notice of a meeting, or consent to the holding of a meeting without notice, or consent to any action proposed to be taken by the Board without a meeting. A director's attendance at a meeting shall constitute his waiver of notice of said meeting. Each Unit Owner shall receive notice (in the same manner as that provided herein for the giving of notice of the annual Unit Owners' meeting) of any meeting of the Board concerning the adoption of the proposed annual budget or any increase thereof, or concerning the establishment of an assessment. Meetings of the Board shall be open and, except as otherwise provided in this Section 4, notice of such meetings shall be mailed at least forty-eight (48) hours prior thereto, unless a written waiver of such notice is signed by the person or persons entitled to such notice before the meeting is convened.

SECTION 5. *Removal.* Any director may be removed from office for cause by the vote of Unit Owners owning two-thirds (2/3) of the total undivided ownership of the Common Elements.

SECTION 6. *Compensation.* Directors shall receive no compensation for their services as directors, unless expressly provided for in resolutions duly adopted by the Unit Owners.

SECTION 7. *Quorum.* A majority of the directors shall constitute a quorum.

SECTION 8. *Powers and Duties.* The Board shall exercise for the Association all powers, duties and authority vested therein by the Act, the Declaration, or these By-Laws, except for such powers, duties, and authority reserved thereby to the members of the Association. The powers and duties of the Board shall include, but shall not be limited to, the following:

- (a) to elect and remove the officers of the Association as hereinafter provided;
- (b) to administer the affairs of the Association and the Property;

(c) to engage the services of an agent (hereinafter sometimes called the "Managing Agent") to maintain, repair, replace, administer and operate the Property or any part thereof for all of the Unit Owners, upon such terms and for such compensation and with such authority as the Board may approve; provided, however, that the First Board, appointed as provided herein, may ratify and approve a Management Agreement between Appearer on behalf of the Association, and a management Company, which may be a corporation related to Appearer, to act as Managing Agent for the Property for a term commencing on the date the Declaration is recorded and terminating three (3) years thereafter (unless sooner terminated, as provided in the Act), at an annual rate of Twenty-Three Thousand Three Hundred Twenty (\$23,320), which ratification and approval shall not be subject to the provisions of Article IV, Section 6 hereof;

(d) to administer, manage, and operate the Property, including the Common Elements, and to formulate policies thereof; provided, any dispute among Unit Owners relating to the administration of the Property may be submitted to arbitration in accordance with the Louisiana Arbitration Law;

(e) to adopt rules and regulations, with written notice thereof to all Unit Owners, governing the details of the administration, management, operation and use of the Property and the Common Elements, and to amend such rules and regulations from time to time;

(f) to provide for the operation, care, upkeep, maintenance, repair, replacement and improvement of the Common Elements and payments thereof, and to approve payment vouchers or to delegate such approval to the officers or the Association, the manager or Managing Agent;

(g) to have access to each Unit from time to time as may be necessary for the maintenance, repair, or replacement of any Common Elements therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Elements or to one or more other Units;

(h) to obtain adequate and appropriate kinds of insurance as provided in Paragraph 13 of the Declaration;

(i) to provide for the designation, employment and dismissal of employees and other personnel necessary or advisable for the maintenance and operation of the Common Elements, including accountants and attorneys, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Property and the Common Elements, and to delegate any such powers to a Managing Agent (and any employees or Agents of a Managing Agent);

(j) to appoint committees of the Board and to delegate to such committees the Board's authority to carry out certain duties of the Board;

(k) to determine the fiscal year of the Association and to change said fiscal year from time to time as the Board deems advisable;

(l) to estimate the amount of, prepare, adopt and distribute the annual budget, and to provide the manner of assessing, levying on and collecting from the Unit Owners their respective shares of the Common Expenses, as hereinafter provided;

(m) to keep detailed, accurate records of the receipts and expenditures affecting the use and operation of the Property;

(n) to enter into agreements or arrangements for premises suitable for use as apartments for Building personnel, upon such terms as the Board may approve;

(o) to bid and purchase, for and on behalf of the Association, any Unit, or interest therein, at a sale pursuant to a mortgage foreclosure, a foreclosure of the lien for Common Expenses under the Act, or an order or direction of a court, or at any other involuntary sale, upon the consent of approval of Unit Owners owning not less than seventy-five per cent (75%) of the total ownership of the Common Elements, provided that such consent shall set forth a maximum price that the Board or its duly authorized agent may bid and pay for such Unit or interest therein;

(p) to purchase or lease any Unit, or interest therein, pursuant to the Association's first option set forth in Paragraph 19 of the Declaration;

(q) to make such mortgage arrangements and special assessments proportionately among the respective Unit Owners, and other such financing arrangements, as the Board may deem desirable, in order to close and consummate the purchase or lease of a Unit, or interest therein, by the Association, provided, however, that no such financing arrangement shall be secured by an encumbrance on any interest in the Property other than the Unit, or interest therein, to be purchased or leased, and the percentage interest in the Common Elements appurtenant thereto;

(r) to rent the parking privileges to the occupants and others upon such terms as the Board may approve, and to negotiate and to agree to the terms, with each owner of a Commercial Unit, of the parking privileges for the tenants and Owners of the Commercial Units and their visitors.

(s) to own, encumber, lease, convey, and otherwise deal with Units conveyed to or purchased by the Association or the Board, for and on behalf of the Association;

(t) unless otherwise provided herein or in the Declaration, to comply with the instructions of a majority of the Unit Owners (as said majority is defined in Paragraph 1 (f) of the Declaration), as expressed in a resolution duly adopted at any annual or special meeting of the Unit Owners;

(u) to act in a representative capacity in relation to matters involving the Common Elements or more than one Unit, on behalf of the Unit Owners, as their interests may appear; and

(v) to exercise all other powers and duties of the Board referred to in the Louisiana Condominium Act, and all powers and duties of a Board of Directors referred to in the Declaration of these By-Laws.

SECTION 9. *Non-Delegation.* Nothing in this Article or elsewhere in these By-Laws shall be considered to grant to the Board, the Association or to the officers of the Association any powers or duties which, by law, have been delegated to the Unit Owners.

ARTICLE III

Officers

SECTION 1. *Designation.* At each regular annual meeting of the Board, the directors present at said meeting shall elect the following officers of the Association by a majority vote:

(a) a President, who shall be a director and who shall preside over the meetings of the Board and of the Unit Owners, and who shall be the chief executive officer of the Association;

(b) a Secretary, who shall keep the minutes of all meetings of the Board and the Unit Owners, and shall be designated as the officer to mail and receive all notices by or upon the Board or the Association and execute amendments to the Declaration (including the Plat) and these By-Laws, as provided in the Act, the Declaration and these By-Laws, and shall, in general, perform all the duties incident to the office of Secretary, and may be a representative of the Managing Agent;

(c) a Treasurer, who shall be responsible for financial records and books of account and the manner in which such records and books are kept and reported;

(d) such additional officers as the Board shall see fit to elect.

SECTION 2. *Powers.* The respective officers shall have the general powers usually vested in such officers; provided that the Board may delegate any specific powers to any other officer or impose such limitations or restrictions upon the powers of any officer as the Board may see fit.

SECTION 3. *Term of Office.* Each officer shall hold office for the term of one year and until his successor shall have been appointed or elected and qualified, provided that any officer may succeed himself.

SECTION 4. *Vacancies.* Vacancies in any office shall be filled by the Board by a majority vote of the remaining members thereof at a special meeting of said Board. Any director so elected to fill a vacancy shall hold office for a term equal to the unexpired term of the officer he succeeds. Any officer may be removed for cause at any time by vote of two-thirds (2/3) of the total membership of the Board at a special meeting thereof.

SECTION 5. *Compensation.* The officers shall receive no compensation for their services as officers, unless expressly provided for in a resolution duly adopted by the Unit Owners.

ARTICLE IV

Assessments

SECTION 1. *Annual Budget.* The Board shall cause to be prepared and shall adopt and distribute to all Unit Owners a detailed estimated proposed annual budget for each fiscal year of the Association. Such budget shall set forth with particularity all anticipated Common Expenses by category as well as all anticipated assessments, other income, and cash requirements for the year, including, but not limited to, salaries, wages, payroll taxes, legal and accounting fees, working capital fund, supplies, materials, parts, services, maintenance, repairs, replacements, landscaping, insurance, fuel, power, and all other Common Expenses. Such budget shall also set forth each Unit Owner's proposed Common Expenses assessment. To the extent that the aggregate assessments and other cash income collected from the Unit Owners during the preceding year are more or less

than the expenditures for such preceding year, the surplus or deficit, as the case may be, shall also be taken into account in the budget. The annual budget shall also take into account the estimated net available cash income for the year from the lease, operation or use of the Common Elements. The annual budget shall also provide for contingencies and a reserve for replacements, maintenance, improvements, working capital, bad debts, and obsolescence, in reasonable amounts as determined by the Board. Each Unit Owner shall receive a copy of the proposed annual budget at least thirty (30) days prior to the adoption thereof by the Board.

SECTION 2. *Assessments.* On or before the first day of the first month and of each succeeding month of the year covered by the annual budget, each Unit Owner shall pay, as his respective monthly assessment for the Common Expenses, one-twelfth (1/12) of his proportionate share of the Common Expenses for such year as shown by the annual budget. Such proportionate share for each Unit Owner shall be in accordance with his respective ownership interest in the Common Elements. In the event that the Board shall not approve an estimated annual budget or shall fail to determine new monthly assessments for any year, or shall be delayed in doing so, each Unit Owner shall continue to pay each month the amount of his respective monthly assessment as last determined. Each Unit Owner shall pay his monthly assessment to the Managing Agent or as may be otherwise directed by the Board. No Unit Owner shall be relieved of his obligation to pay his assessment by abandoning or not using his Unit, the Common Elements, or the Limited Common Elements.

SECTION 3. *Partial Year or Month.* For the first fiscal year of the Association, the annual budget shall be as approved by the First Board prior to the conveyance of any Unit to any individual purchaser thereof. If such first fiscal year, or any succeeding fiscal year, is less than a full year, then the monthly assessment for each Unit Owner shall be proportionate to the number of months and days in such period covered by such budget. Commencing with the date that a Unit Owner acquires title to his Unit, such Unit Owner shall pay his assessment for the following month or fraction of a month, which assessment shall be in proportion to his respective ownership interest in the Common Elements and the number of months and days remaining in the period covered by the current annual budget, and which assessment shall be as computed by the Board.

SECTION 4. *Annual Report.* Within ninety (90) days after the end of each fiscal year covered by an annual budget, or as soon thereafter as shall be practicable, but in any event within one hundred and twenty (120) days after the end of such fiscal year, the Board shall cause to be furnished to each Unit Owner a statement for such year so ended, showing the receipts and expenditures and such other information as the Board may deem desirable.

SECTION 5. *Supplemental Assessments.* In the event that during the course of any year, it shall appear to the Board that the monthly assessments, determined in accordance with the estimated annual budget for such year, are insufficient or inadequate to cover the estimated Common Expenses for the remainder of such year, or if there shall be any non-recurring Common Expenses or any Common Expenses not set forth in the annual budget as adopted, then the Board shall prepare and approve a supplemental budget covering the estimated deficiency for the remainder of the year, or such non-recurring Common Expenses or other Common Expenses, copies which supplemental budget shall be furnished to each Unit Owner, and thereupon a supplemental assessment shall be made against each Unit Owner for his proportionate share thereof, provided, however, that expenditures arising from maintenance of, repairs to and replacements within the Limited Common Elements may be assessed, in whole or in part, to the Unit Owners benefitted by such Limited Common Elements, as provided under Paragraph 15 of the Declaration. Any such supplemental assessment shall be subject to approval by the affirmative vote of at least two-thirds (2/3) of the Unit Owners voting at a meeting of Unit Owners duly called for the purpose of approving the supplemental assessment, if such supplemental assessment involves proposed expenditures resulting in a total payment assessed to a Unit equal to or exceeding the greater of five (5) times that Unit's most recent Common Expenses assessment, calculated on a monthly basis.

SECTION 6. *Expenditures.* Except for the Management Agreement described in Article II, Section 8 (c) hereof and any other expenditures and contracts specifically authorized by the Declaration and By-Laws, the Board shall not approve any expenditure in the excess of Thirty Five Thousand Dollars (\$35,000) unless required for emergency repair, protection or operation of the Common Elements, nor enter any contract of more than five (5) years duration without the prior approval of two-thirds (2/3) of the total ownership of the Common Elements. Improvements for the Property and assessment of the cost thereof shall be authorized in accordance with the provision of the Louisiana Condominium Act.

SECTION 7. *Lien.* It shall be the duty of every Unit Owner to pay his proportionate share of the Common Expenses, as provided in the Declaration and as assessed in the manner herein provided.

If any Unit Owner shall fail or refuse to make such payment of the Common Expenses when due, the amount thereof, together with interest thereon at the rate of ten per cent (10%) per annum from and after said Common Expenses become due and payable, shall constitute a lien, as provided in the Act, enforceable by the Board, on the interest of such Unit Owner in the Property, provided, however, that such lien shall be subordi-

nate to the lien of any prior recorded mortgage held by any existing mortgage of the Property, its successors and assigns, an insurance company, bank homestead savings and loan or other financial institution or institutional investors on the interest of such Unit Owner, except for the amount of the proportionate share of Common Expenses which become due and payable from and after the date on which such mortgage owner or holder either takes possession of the Unit, accepts a conveyance of any interest therein (other than as security), or causes a receiver to be appointed. The provisions of this paragraph of this Section 7 shall not be amended, modified or rescinded in any way without the prior written consent of all such holders of a recorded mortgage encumbering any one or more Units in the Building.

The Association or its successors and assigns, or the Board or its agents, shall have the right to take all such actions necessary to perfect such lien and to maintain a suit to foreclose any such lien, and there shall be added to the amount due to the costs of said suit and other fees and expenses, together with legal interest and reasonable attorneys' fees to be fixed by the Court. The Board or the Association shall have the authority to exercise and enforce any and all rights and remedies as provided for in the Louisiana Condominium Act, the Declaration or these By-Laws, or as are otherwise provided or permitted at law or in equity, for the collection of all unpaid assessments.

SECTION 8. *Records and Statement of Account.* The Board shall cause to be kept detailed and accurate records, in chronological order, of the receipts and expenditures affecting the Common Elements and Limited Common Elements, specifying and itemizing the Common Expenses incurred. Such records and the vouchers authorizing the payments involved shall be available for examination by the Unit Owners at convenient hours during week days. Payment vouchers may be approved in such manner as the Board may determine. The Board shall cause to be maintained a separate account for each Unit which shall indicate the name and address of the Unit Owner, the amount of each assessment for Common Expenses, the date on which the assessment becomes due, amounts paid on the account and any balance due.

SECTION 9. *Discharge of Liens.* The Board may cause the Association to discharge any mechanic's lien or other encumbrance which, in the opinion of the Board, may constitute a lien against the Property or the Common Elements, rather than a lien against only a particular Unit. When less than all the Unit Owners are responsible for the existence of any such lien, the Unit Owners responsible shall be jointly and severally liable for the amount necessary to discharge the same and for all costs and expenses, including attorney's fees, incurred by reason of such lien.

SECTION 10. *Holding of Funds.* All funds collected hereunder shall be held and expended for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all the Unit Owners and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use and account of all the Unit Owners in the percentage set forth in Exhibit C to the Declaration.

ARTICLE V

Use and Occupancy Restrictions

SECTION 1. *General.* No unlawful, noxious or offensive activities shall be carried on in any Unit or elsewhere on the Property, nor shall anything be done therein or thereon which, in the judgment of the Board, constitutes a nuisance, causes unreasonable noise or disturbance to others, or unreasonably interferes with other Unit Owners' use of their Units and the Common Elements.

Each Unit Owner shall maintain his Unit in good condition and in good order and repair, at his own expense, and shall not do or allow anything to be done in his Unit which may increase the cost or cause the cancellation of insurance on other Units or on the Common Elements. No Unit Owner shall display, hang, store or use any clothing, sheets, blankets, laundry or other articles outside his Unit, or which may be visible from the outside of his Unit (other than draperies, curtains, or shades of a customary nature and appearance, subject to the rules and regulations of the Board), or paint or decorate or adorn the outside of his Unit, or install outside his Unit any canopy or awning, or outside radio or television antenna, or other equipment, fixtures or items of any kind, without the prior written permission of the Board or the written permission of the Managing Agent, acting in accord with the Board's direction. No Owner of a Unit shall display, hang, store or use any sign outside his Unit, in a hallway or elsewhere, or which may be visible from the outside of his Unit without the prior written permission of the Board or the written permission of the Managing Agent, acting in accord with the Board's direction. An Owner or Occupant of a Commercial Unit may display, hang, store or use any sign written on the outer perimeter of his Commercial Unit provided that said sign is in compliance with all applicable ordinances and is consistent with the character of the Building.

SECTION 2. *Animals.* No animals shall be raised, bred or kept in any Unit for any commercial purpose. Household pets of Occupants must be kept in strict accordance with the administrative rules and regulations

relating to household pets from time to time adopted or approved by the Board.

SECTION 3. *Trash.* Trash, garbage and other waste shall be kept only in sanitary containers, and shall be disposed of in a clean and sanitary manner in strict accordance with the rules and regulations adopted or approved by the Board from time to time.

SECTION 4. *Use by Appearer.* While the Appearer is the owner of any Unit, its agents, employees, contractors and subcontractors, and their respective agents and employees, shall be entitled to access, ingress to, and egress from said Building and Property as may be required to consummate the sale of Units and to complete the refurbishing of the Building; and, Appearer and its employees may use and show one or more of such unsold or unoccupied Units as a model Unit or Units, and may use one or more of such unsold or unoccupied Units or a portion of the Common Elements as a sales office, may maintain customary signs in connection therewith. This Section 4 shall not be amended without the prior written consent of the Appearer.

SECTION 5. *Storage.* Articles of personal property belonging to any Unit Owner, such as baby carriages, bicycles, wagons, toys, furniture, clothing and other articles, shall not be stored or kept in the corridors, hallways, lobby or other common areas, except in the common storage area, if any, and in the storage locker, if available, specifically designated by the Board or the Managing Agent, acting in accord with the Board's direction, for use by such Unit Owner.

SECTION 6. *Wiring.* No Unit Owner shall overload the electrical wiring in the Building, or operate any machines, appliances, accessories or equipment in such manner as to cause, in the judgment of the Board, an unreasonable disturbance to others, or connect any machines, appliances, accessories or equipment to the heating or plumbing system, without the prior written consent of the Board or the prior written consent of the Managing Agent, acting in accord with the Board's direction.

ARTICLE VI

Contractual Powers

No contract or other transaction between the Association and one or more of its directors or between the Association and any corporation, firm or association in which one or more of the directors of this corporation are directors, or are financially interested, is void or voidable because such director or directors are present at the meeting of the Board or a committee thereof which authorizes or approves the contract or transaction or because the vote or votes of such director or directors are counted toward such authorization or approval, if the circumstances specified in either of the following subparagraphs exists:

(a) the fact of the common directorship or financial interests is disclosed or known to the Board or committee and noted in the minutes thereof, and the Board or committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose, without counting the vote or votes of such director or directors; or

(b) the contract or transaction is just and reasonable as to the Association at the time it is authorized or approved.

Such common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board or a committee thereof which authorizes, approves or ratifies such a contract or transaction.

ARTICLE VII

Amendments

Subject to the requirements of Article IV, Section 7 hereof requiring the consent of certain lien holders under certain circumstances, these By-Laws may be amended, modified or rescinded, from time to time, by means of an amendment of the Declaration, which these By-Laws constitute a part of. Any such amendment, modification or rescission shall be valid and effective only upon the recording thereof in the Office of the Register of Conveyances for the Parrish of Orleans, State of Louisiana. Any such recorded amendment, modification or rescission shall be maintained in the corporate records of the Association. These By-Laws may not be amended, modified or rescinded so as to conflict with the provisions of the Act.

ARTICLE VIII

Indemnification

SECTION 1. *General.* The Association shall indemnify and hold harmless each of its directors and officers, each member of any committee appointed pursuant to the By-Laws of the Association, and the Board, and Appearer, against all contractual and other liabilities to others arising out of contracts made by, or other acts

of, such directors, Board, officers, committee members, Appearer, on behalf of the Unit Owners, or arising out of their status as directors, Board, officers, committee members, unless any such contract or act shall have been made fraudulently or with gross negligence or criminal intent. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, counsel fees, amounts of judgments paid and amounts paid in settlement) reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative or other, in which any such director, officer, Board, committee member, may be involved by virtue of such persons being or having been such director, officer, Board, committee member; provided, however, that such indemnity shall not be operative with respect to (a) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence or fraud in the performance of his duties as such director, officer, Board, committee member, or (b) any matter settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such persons being adjudged liable for gross negligence or fraud in the performance of his duties as such director, officer, Board or committee member.

SECTION 2. *Advance Payment.* Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board in the specific case, upon receipt of an undertaking by or on behalf of the person or entity seeking such indemnification or payment in advance to repay such amount unless it shall ultimately be determined that such person or entity is entitled to be indemnified by the Association as authorized in this Article VIII.

SECTION 3. *Miscellaneous.* The Association and the Board shall have the power to raise and the responsibility for raising, by special assessment or otherwise, any sums required to discharge its obligations under this Article, provided, however, that the liability of any Unit Owner arising out of any contract made by or other acts of the directors, Board, officers, members of such committees, shall be limited to such proportion of the total liability thereunder as said Unit Owner's percentage of interest in the Common Elements bears to the total percentage interest of all the Unit Owners in the Common Elements. Every agreement made by the directors, Board, officers, members of such committees, Appearer or the Managing Agent, on behalf of the Unit Owners, shall provide that the directors, Board, officers, members of such committees, Appearer or the Managing Agent, as the case may be, are acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his percentage of interest in the Common Elements bears to the total percentage interest of all Unit Owners in the Common Elements. The indemnification provided by this Article VIII shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of members of the Association or disinterested members of the Board or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. Such right to indemnification shall continue as to a person or entity who has ceased to be Appearer, member of the Board, officer of the Association or a member of such committee, and shall inure to the benefit of the heirs, executors, administrators, personal representatives, successors and assigns of such person or entity.

ARTICLE IX

Definition of Terms

The terms used in these By-Laws, to the extent they are defined therein, shall have the same definition as set forth in the Declaration of Condominium Ownership of Carol Condominium, which Declaration is recorded in the office of the Register of Conveyances for the Parish of Orleans, State of Louisiana.

The term "member," as used in these By-Laws, means "Unit Owner" as defined in the Declaration.

ARTICLE X

Additional Powers

In addition to, and in furtherance of, the powers referred to in these By-Laws, the Association shall (a) have all the powers permitted to be exercised by a non-profit corporation under the Non-profit Corporation Law of the State of Louisiana as amended, which are not inconsistent with the Louisiana Condominium Act, as amended and (b) have and exercise all powers necessary or convenient to effect any or all of the purposes for which the Association is organized, and to do every other act not inconsistent with law which may be appropriate to promote and attain the purposes set forth in the Declaration, these By-Laws or the Louisiana Condominium Act as amended.

The Carol Condominium Association Rules and Regulations

1. Children shall not play in the public halls, stairways or elevators.
2. No velocipedes or bicycles shall be allowed in passenger elevators or in the halls, passageways, areas or courts of the building.
3. **No animals or pets of any kind shall be kept or harbored anywhere on the premises. This rule also applies to any visitors or guests that may want to bring their animals into the building.**
4. No wires, cables or aerials for radio or television purposes shall be installed upon the roof or other parts of the building without the Association's written permission.
5. Nothing shall be thrown by the occupants, their household personnel, employees or visitors from the windows or doors or in the passageways or hallways. All trash shall be disposed of properly, making sure that it is inserted into the incinerator chute. All aerosol cans should be left on the shelves found in each trash room. All shopping carts should be returned to the ground floor or placed in the freight elevator after using.
6. Nothing shall be placed upon the outer windowsills, and dust mops, clothing, tablecloths, rugs, etc., shall not be shaken or cleaned in any of the public halls or from any windows, doors or landings.
7. Occupant(s) shall report promptly all leaking faucets or toilets and shall turn off electric lights when not needed. **Please.**
8. No furniture or bulky articles shall be brought into the building, or removed from the building except through the service entrance and service elevator.
9. In order to reduce noise, traffic and prevent unnecessary dirt being brought into the building, the occupant shall use only those trades people such as milk-men, dry-cleaners and paperboys as the Condominium Association shall approve.
10. The occupant's family and guests shall have due regard for the comfort and enjoyment of other occupants in the building. No musical instrument shall be practiced before 10:00 a.m. or after 7:00 p.m. Please consider the comfort of you neighbors when playing TV.
11. All goods or any property stored anywhere in the building other than the owner's unit shall be at the sole risk of the occupant.
12. Whenever occupant does not reside in his apartment unit for several days at a time, thermostats shall be adjusted to reduce the heating and cooling demands for the living unit. **Please.**
13. Occupant agrees not to use or permit the use of foods, beverages or other edibles within ten feet from the swimming pool and to maintain the area adjacent to the swimming pool free and clear of all trash, debris, used or wet clothing and otherwise to maintain the constant sanitary condition and appearance of the swimming pool area. No children under the age of fourteen (14) years of age will be allowed in or about the swimming pool area unless accompanied by an adult. No bottles, glasses or containers made of glass or any pets will be permitted in the pool area.
14. No auction sales, or any sales of furniture, fixtures, etc., shall be conducted on the premises without the written consent of the Owner and/or Association.
15. Any personal services requested of the building staff by the owner/occupant shall be at the owner/occupant's risk.
16. Occupant shall not place decorative items or otherwise in the public hallways or public spaces of the building without prior written consent by The Condominium Association. Occupant shall assume full responsibility for the loss and or theft of said items.
17. The Carol assumes no responsibility for items stolen from any of the common areas or the Laundry room. Clothing, etc. should not be left unattended in washers and dryers for any length of time.
18. Residents attired for the pool and swimming area shall use the service elevator. Proper street attire shall be worn times in the lobby. **(Please, no house robes or night wear in the lobby.)**