

**BY-LAWS
Of
LAKE ROSEMOUND ASSOCIATION, INC.**

ARTICLE I

MEMBERSHIP

Section 1. There shall be only one class of members: Stockholder members, who, in accordance with the charter, shall be legal entities or natural persons of the full age of majority owning a share of stock in this corporation, and in addition is admitted to membership of this association in the manner provided in these By-Laws. Each Stockholder member shall be entitled to all of the privileges of the association as is the Stockholder's immediate family. However, only the Stockholder or his/her spouse may hold office and exercise voting privileges. The above mentioned "all of the privileges of the Association" shall not apply to members of the family, other than the spouse, in the case of voting and holding office, as described in Article V Section I, which two privileges shall be vested exclusively in the person who is named Stockholder/spouse. "Immediate family" shall be defined herein as the spouse, children and step-children of the Stockholder, excepting children and step-children over the age of 21 who are not attending college. This is a fully assessable membership and all dues, late charges, applicable taxes, fees and other billings as set by the Board are applicable. In the event of divorce, the party who continues to own eligible properties within the Lake Rosemound Community may continue Shareholder status. The Board of Directors may, at its option, permit the transfer of said stock to one (1) or more of the heirs of the original Stockholder under such terms as it may direct. A share of stock shall not be held in indivision by more than three (3) families.

Section 2. A share of stock in the Corporation may be owned by a corporation or other entity, however, that corporation or other entity shall be required to designate who the user of the Stock will be. This must be no more than one (1) person and would include his or her spouse and members of his immediate family as defined in Article I, Section 1, hereinabove. Hunting Clubs or Fishing Clubs or other organizations of a similar nature are not eligible to purchase or own a share of stock in the Corporation.

Section 3. No person or entity can own more than three (3) shares of stock, but in order to be eligible to own more than one (1) share, that person or entity must also own a corresponding number of eligible properties, as defined within Article VII of the First Restated and Amended Articles of Incorporation, within the Lake Rosemound Community.

ARTICLE II
ADMISSION

Section 1. Application for membership shall be on a form specified by the Board and shall be accompanied by a copy of the deed by which the applicant acquired the property situated within Lake Rosemound Community. Applications may be obtained through the Secretary.

Section 2. The application must be accompanied by fees as set by the Board of Directors.

Section 3. Acceptance of such applicant to membership shall be automatic provided applicant meets all requirements as set forth in the Articles of Incorporation, these By-Laws and such other Rules and Regulations as may be in effect at the time of such application is submitted.

Section 4. Upon approval of the applicant, the Secretary shall issue a share of stock and the applicant's name shall be inscribed on the official membership rolls.

Section 5. Rejection of an application will cause any deposit to be refunded upon notice of rejection to the applicant.

Section 6. If memberships are deemed to be full by the Board of Directors, a waiting list will be kept listing, in order received, those names of eligible persons to be considered for membership at some future date on a first come first serve basis. A Purchaser purchasing property from a member in good standing and wishing to purchase that property owner's stock shall have preference over those on the waiting list.

Section 7. In the event a person has acquired a share of stock from a source other than the corporation and wishes to apply for membership, that person shall follow the above mentioned admission procedure with the exception of payment for said stock. However, applicant must submit a stock transfer fee as determined by the Board and must be in compliance with all other rules and regulations as may be in force at the time.

ARTICLE III

DUES, FEES AND INDEBTEDNESS

Section 1. The Board of Directors shall have the power and authority to fix the dues, transfer and other fees to be paid by Shareholders. It shall also establish the current value for a share of voting class stock which current value is hereby established at \$7,500.00.¹ No transfer fee may be assessed on transfers of stock between spouses. However, any assessment, dues increase or change of the value of the stock, must be approved by a majority vote of the membership, either at a special meeting called for such purpose or by mail ballot, a quorum being required in either case.

Section 2. Bills for dues, charges, assessments, or any other fees shall be paid by the end of the month in which they are due. Whenever dues, assessments, late charges or other charges of any Stockholder remain unpaid for a period of thirty (30) days from due date, said Stockholder shall be automatically suspended from the use of any of the facilities and from any other rights or benefits of Lake Rosemound Association, Inc. A letter will be sent informing the member of such suspension. If the account remains unpaid for an additional one hundred fifty (150) days, the member shall be expelled from membership. The stock belonging to such delinquent member will be

automatically forfeited and re-sold to satisfy said indebtedness and any sums received in excess of said indebtedness shall be paid to the expelled member. Lack of action on the above matters does not prescribe or indicate a waiver of the Board's right to act at any time against the defaulting member.

Nothing contained in this Article is intended to be, nor shall it be, any restriction whatsoever upon the right of the Association to exercise any and all legal means of enforcing the obligation of any member of the Association; the methods or actions set forth in this section are intended to, and shall be, in addition and supplementary to all legal and lawful means of collection of dues, assessments, operational billings, late charges, fees or accounts. Provided further that no transfer and/or sale of stock can be consummated unless and until the owner and vendor satisfy all indebtedness, accrued dues, fees, operational billings, assessments and/or other charges.

ARTICLE IV

LOSS OF MEMBERSHIP

Section 1. Resignation of membership shall be made in writing to the Secretary. No resignation shall be accepted until all obligations of the member have been paid in full. No resignation of a Stockholder member shall be effective until transfer to a third party, issuance of a letter of credit, or unless the stock is forfeited for lack of payment. Upon written resignation of a Stockholder member and the tender and acceptance of said Stockholder's stock certificate, any future dues, special billings, fees, and other charges from that day forward will be suspended until proper transfer is affected. At that point, membership and privileges will cease to exist unless reinstatement occurs in writing.

Section 2. The Board shall be empowered by a vote of eight (8) of its nine (9) members to expel any member of the association for failure to comply with the Rules and Regulations as set forth in the Articles, By-Laws, Regulations and interpretive rulings. No vote on the expulsion of the member may be taken until after ten (10) days notice in writing, setting forth the charges made, shall have been given to the member under charge. Said member shall have the right to be heard on such charges before any final vote shall be taken, provided said member requests said right within the ten (10) days specified in writing to the Secretary.

Section 3. Members agree to abide by all conditions of membership including, but not limited to, Article VII, Sections 2 through 8 of the First Restated and Amended Articles of Incorporation.

In the event a member is in violation of any condition of membership, the member shall immediately be automatically suspended from the use of any of the facilities and from any other rights or benefits of Lake Rosemound Association, Inc. and shall be notified in writing by the President at the address of the voting Shareholder on the corporate books of the violation and of the automatic suspension from the use of any of the facilities and from any other rights or benefits of Lake Rosemound Association, Inc. Upon the violation being remedied, said Shareholder will be notified in writing by the President that the violation has been remedied and that the Shareholder's privileges have been restored. Until written acknowledgement has been received by the suspended Shareholder that the violation has been remedied, the Shareholder's use privileges shall remain suspended.

Section 4. Members agree to abide by all Articles, By-Laws, Rules and Regulations of the corporation.

There is hereby established a LAKE RULES VIOLATION COMMITTEE, which will be comprised of five (5) members, three (3) from the Board and two (2) from the general membership. The three (3) members from

the Board will be approved by Majority vote of the entire Board and one (1) of them shall serve as chairman. The two (2) members at large will be selected by the Board from a list of general members who have expressed an interest in service on such a committee. Any member may report any violation of any of the rules above mentioned to the Board in writing. The Board, upon receipt of such notice shall refer the complaint to the committee for review. The committee shall review the complaint and shall notify the affected member that a complaint has been received, the nature of the complaint and any other information which is pertinent. The affected member shall be given a period of ten (10) days in which to respond in writing. The affected member may request in his response a meeting with the committee members for the purpose of discussing the issue. This should be scheduled as soon as is practical but not later than twenty (20) days from the expiration of the ten (10) day period immediately mentioned above. The committee after reviewing the member's response, if any, the complaint and the results of the meeting, if any meeting was held, shall make a recommendation to the Board as to whether or not a violation occurred and if one did, the recommended action to be taken by the Board. The Board after receiving the recommendation of the committee may choose to follow the recommendation or not as determined by majority vote of the Board. For the first violation, the Board's action is limited to no more than a letter to the affected member reminding the member of the Rule, Regulation or By-Law violated and requesting future compliance. Upon a second violation reported within a consecutive thirty (30) day period from the date of the first violation where the same member or that member's guest is involved, the Board may after receiving the recommendation of the committee suspend the member's use of any of the facilities and from any other rights or benefits of Lake Rosemound Association for up to thirty (30) days. Any subsequent violation reported within a consecutive thirty (30) day period from the date of the second violation where the same member or that member's guest is involved, the Board, after receiving the recommendation of the committee may suspend the member's use of any of

the facilities and from any other rights or benefits of the Lake Rosemound Association for up to six months. In addition, at the end of the calendar year, the committee shall review the records of all complaints addressed during the year and if a member is found to have committed three (3) violations during that year, but not occurring within thirty (30) days of each other then the Board shall be authorized to suspend the member's use of any of the facilities and from any other rights or benefits of the Lake Rosemound Association for a period of not to exceed sixty (60) days beginning at such time as may be determined by the Board. At any time that a member's use of any of the facilities and from any other rights or benefits of Lake Rosemound Association is suspended by the Board, the affected member shall absolutely have no right or privilege to use the lake or the pavilion area except as a guest of another member and only if the affected member is accompanied by a fully paid up member. A member suspended from use of any of the facilities and from any other rights or benefits of Lake Rosemound Association as a result of the above procedure who uses the facilities except as specifically authorized above shall be deemed a trespasser and will be subject to any and all legal remedies which are available to owners against trespassers, including arrest and prosecution by proper authorities. A member suspended pursuant to Section 3 or 4 of the Articles shall continue to be responsible for any dues and/or assessments due and owing on their stock.

ARTICLE V
MANAGEMENT

Section 1. The Board shall elect at its meeting in January from its number a President, Vice President, Secretary and Treasurer, and such other officers as the Board may consider necessary. Only the offices of Secretary and Treasurer may be held by the same person. All officers elected by the Board shall be elected for such terms of office as shall be fixed by the Board, and shall be removable by a two-thirds (2/3) vote of the Board.

Section 2. The President shall have general supervision of all of the affairs of the association; shall preside at all Stockholder meetings of the Association and all meetings of the Board; shall be ex-officio member of all standing and special committees; shall negotiate and sign all contracts, bonds, deeds and instruments in writing authorized by the Stockholders or the Board. The President shall perform such special duties in addition to the foregoing as the Stockholders or the Board may direct.

Section 3. In the absence or disability of the President, the Vice President shall perform all duties and exercise all of the powers of the President. In the instance both the President and the Vice President are unable to perform the duties of the President; a President Pro-Tem shall be elected by the Board to perform the prescribed duties as directed by the Board.

Section 4. The Secretary shall keep the minutes of all meetings of the Board and Association; shall send all necessary and required notices to the membership; post all notices required to be posted; shall have charge of all records not especially belonging to other officers; shall enter upon the official Association records the names of those members who have died and the names of those whose resignation have been accepted and list the names of all new members

accepted; shall notify all persons elected to membership immediately after their approval; and shall perform such other duties as the Board may direct.

Section 5. The Treasurer shall have custody of the funds of the Association unless it be otherwise specially ordered by the Board; shall give such security for the faithful discharge of duties as may be required by the Board; and shall keep or cause to be kept the accounts of the Association, and shall perform such other duties that the Board may prescribe.

Section 6. The Board shall hold monthly meetings. Special meetings may be called by the President or by any three (3) members of the Board. These meetings may be either in person or by telephone. A majority vote of the Board will constitute passage of presented motion, except membership expulsion which requires eight (8) votes of the nine (9) member Board. A quorum of the entire Board must be present in order for a meeting to be official and any vote to be taken. Proxies in writing are acceptable from absent Board members when voting takes place, but do not count as part of quorum count. Voting may take place by telephone poll.

Section 7. The Board shall have the authority to employ or contract with those persons necessary to make the Association function for the benefit of the membership as a whole.

Section 8. The Board shall have the sole authority to institute written policies, Rules and Regulations of the Association including, but not limited to, the Lake Use Rules, as well as any necessary interpretive rulings resulting therefrom. These policies should be reviewed annually or when deemed necessary.

Section 9. The Board shall have the sole authority for the preparation of an operating budget and the monthly review of its performance and explanation of its variances on a monthly basis.

Section 10. If any Board member shall be absent from three (3) consecutive regular meetings without rendering an excuse acceptable to a majority of the Board, that office shall be declared vacant and the Board shall elect a successor for the unexpired term.

Section 11. Each officer and each member of the Board of Directors of the corporation shall be indemnified by the corporation against all liabilities and related expenses, including attorney's fees reasonably incurred or imposed on him in connection with any proceeding in which he may be a party, or in which he may become involved by reason of his being or having been an officer or Director of the corporation, or any settlement pre-approved by the Board of Directors, regardless of whether he is an officer or Director at the time such expenses are incurred, unless the officer or Director is adjudged guilty of willful misconduct or malfeasance in the performance of his duties. The above described right of indemnification shall not be exclusive of all other rights to which such officer or Director may be entitled but shall be in addition to such other rights.

Section 12. The Board shall have sole authority for expenditures for single items up to Twenty-Five Thousand and No/100 (\$25,000.00) Dollars¹ without a prior vote of the membership, except in the event of a dam emergency.

Section 13. There shall be established an Emergency Executive Committee which shall be comprised of the President and three (3) members of the Board of Directors appointed by the President. A majority of the Emergency Executive Committee shall constitute a quorum for transacting business. A majority vote of the Emergency

Executive Committee present shall be necessary for approval or disapproval of any action.

The Emergency Executive Committee may act on behalf of the entire Board of Directors in a bona fide emergency. A "bona fide emergency" is defined as a dam emergency or any other situation which poses an imminent and substantial threat to the members or property of the Lake Rosemound Association, Inc., if immediate action is not taken. A "dam emergency" is defined as a breach in the dam which poses an imminent and substantial threat of loss of the dam, if immediate action is not taken.

A meeting may be called by any member of the Emergency Executive Committee upon notice of a bona fide emergency. In the event of a declaration of dam emergency, the Emergency Executive Committee shall meet within Twenty-four (24) hours of the declaration. Such meetings may be held by telephone. The Emergency Executive Committee must ratify those actions with modifications, or cancel the emergency action. If the Emergency Executive Committee ratifies the actions in any manner, it may authorize the expenditure of such additional Lake Rosemound Association, Inc. funds as may be reasonably necessary to remediate the dam emergency.

The Emergency Executive Committee must report any emergency action to the Board of Directors not later than the next regular meeting of the Board.

Section 14. There shall be established a Dam Safety Committee which shall be comprised of four (4) individuals appointed by the President, of whom at least one (1) must be a member of the Board of Directors. The Chairman of the Dam Safety Committee must be a member of the Board of Directors. The Dam Safety Committee shall be responsible for preparation, maintenance, and execution of the Dam Safety Plan required by the Louisiana Department of Transportation and Development.

A dam emergency may be declared by any member of the Dam Safety Committee upon determination that there is a breach in the dam which poses an imminent and substantial threat of loss of the dam, if immediate action is not taken. Upon declaration of a dam emergency, the Dam Safety Committee member may take such actions set forth in the Dam Emergency Plan as may be reasonably necessary to remediate the dam emergency including, but not limited to, retaining the services of personnel, leasing equipment, and purchasing materials, provided that such actions shall not commit more than Fifteen Thousand and No/100 Dollars (\$15,000.00) in Lake Rosemound Association, Inc. funds.

Within Twelve (12) hours of a declaration of a dam emergency, the Dam Safety Committee shall notify the Emergency Executive Committee of the emergency.

ARTICLE VI
COMMITTEES

There shall be as many standing committees as the Board of Directors may from time to time direct. The powers, duties and responsibilities of those committees, as well as the number of members and policies shall be as directed by the Board.

ARTICLE VII
GUESTS

The definition of and policy toward "Guests" shall be established by the Board of Directors who shall publish rules applicable to "Guests" as they from time to time deem appropriate.

ARTICLE VIII
BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member.

ARTICLE IX
NOMINATIONS AND ELECTION OF DIRECTORS

Section 1. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the Annual Meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more members of the Association. The Nominating Committee shall be appointed by the Board at least thirty (30) days prior to the date set for the Annual Meeting. This committee shall make as many nominations for elections to the Board of Directors as it shall in its sole discretion determine, but not less than the number of vacancies that are to be filled.

Section 2. Election to the Board of Directors shall be by a secret written ballot. At such election the members or their proxies may cast, with respect to each vacancy, as many votes as they have fully paid membership shares.

ARTICLE X
MEETING OF MEMBERS

Section 1. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, forty (40%) percent of the voting power of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 2. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of the lot.

Section 3. Voting may also be by mail ballot. Receipt of a forty (40%) percent response by the voting power within time limit set shall constitute a quorum. The majority vote shall govern.

ARTICLE XI
AMENDMENT

Amendment of these By-Laws shall require the affirmative vote of at least Fifty-one (51%) percent of the voting membership either at a special meeting or by mail ballot a quorum being required in either case.