

ARTICLE I

Definitions

1.01 Definitions. When used in this Declaration, unless the context shall prohibit or otherwise require, the following words shall have all the following meanings and all definitions shall be applicable to the singular and plural forms of such terms:

(a) “Architectural Review Committee” (ARC) shall mean and refer to the committee which shall be appointed by the Association’s Board of Directors to approve exterior and structural improvements, additions, and changes within the Development as provided in Article X hereof.

(b) “Articles of Incorporation” shall mean and refer to the Articles of Incorporation of The Lakes Homeowner’s Association, Inc., as amended from time to time.

(c) “Assessment” shall mean and refer to an Owner’s share of the Common Expenses or other charges from time to time assessed against an Owner by the Association in the manner herein provided.

(d) “Association” shall mean and refer to The Lakes Homeowner’s Association, Inc., a Louisiana non-profit corporation.

(e) “Board of Directors” or “Board” shall mean and refer to the Board of Directors of the Association, which is the governing body of the Association.

(f) “By-Laws of the Association” or the “By-Laws” shall mean and refer to those By-Laws of The Lakes Homeowner’s Association, Inc. which govern the administration and operation of the Association, as the same may be amended from time to time.

(g) “Common Areas” shall mean and refer to all of the streets, drives, courts, temporary cul-de-sacs and temporary access routes shown on the approved Plan of Subdivision recorded in Map File No. 993-B of the official records of St. Tammany Parish, Louisiana or on the Master Paving and Drainage Plan or on the Site Grading Plan. All of the said streets, drives, courts, temporary cul-de-sacs and temporary access routes shall be private streets, drives, courts, temporary cul-de-sacs and temporary access routes. The Parish of St. Tammany, the State of Louisiana and the public in general shall have no interest or rights therein. Said streets, drives, courts, temporary cul-de-sacs and temporary access routes are not intended to be dedicated in any manner to the Parish of St. Tammany, the State of Louisiana, the public in general or to public use. Ownership and fee title to said streets, drives, courts, temporary cul-de-sacs and temporary access routes shall remain in The Lakes Homeowner’s Association, Inc., its successors, transferees or assigns.

Said ownership and fee title to said streets, drives, courts, temporary cul-de-sacs and temporary access routes are not conveyed or transferred herein or hereby. Nothing in this Act or on said plans is intended to dedicate in any manner said streets, drives, courts, temporary cul-de-sacs and temporary access routes to the Parish of St. Tammany, State of Louisiana, the public in general or to public use.

(h) “Common Expenses” shall mean and refer to all expenditures lawfully made or incurred by or on behalf of the Association, for maintenance, and/or capital additions, together with all funds lawfully assessed for the creation or maintenance of reserves, pursuant to the provisions of this Declaration.

(i) “Conservancy Area” shall mean and refer to that area of the Development designated as “conservancy” and the lakes, which they adjoin, all or more particularly shown on the Subdivision Plat, owned and operated by the Association.

(j) “Declarant” shall mean and refer to the person who has executed this Declaration, or any successor-in-title to the entire interest of such person with respect to the Property at the time of such acquisition pursuant to the foreclosure of a Mortgage encumbering such person’s interest in the Property.

(k) “Declaration” shall mean and refer to this Declaration of Deed Restrictions, Covenants, Conditions, and Subdivision Restrictions for The Lakes of Greenleaves Subdivision and all amendments thereof filed for record in the Records of the Clerk of Court of St. Tammany Parish, Louisiana.

(l) “Development” with an initial capital letter, shall mean and refer to the Property and all improvements located or constructed thereon.

(m) “Dwelling” with in initial capital letter shall mean and refer to any improved property intended for the use as a single-family detached dwelling located within the Development.

(n) “Foreclosure” shall mean and refer to, without limitation, the judicial foreclosure of a Mortgage or the conveyance of secured property by a dation en paiement in lieu of a judicial foreclosure.

(o) “Gatehouse” shall refer to the structure located at the main entrance to the Development.

(p) “Greenbelt Area” shall mean and refer to any area within Development preserved in a natural or park-like state.

(q) “Lease” shall mean and refer to any lease, sublease, or rental contract, whether oral or written.

(r) “Living Area” shall mean and refer to enclosed and covered areas within a Dwelling, exclusive of garages, carports, porches, terraces, balconies, decks, patios, courtyards, greenhouses, atriums, attics and basements.

(s) “Lot” shall mean and refer to any unimproved portion of the Property upon which it is intended that a Dwelling shall be constructed, as such Lots are shown on the Subdivision Plat, recorded at Map File No. 993-B of the official records of St. Tammany Parish, Louisiana. A parcel of land shall be deemed unimproved and thus considered to be a Lot rather than a Dwelling, until the improvements constructed thereon are sufficiently complete to reasonably permit habitation thereof. Upon such completion such parcel and the improvements thereon shall collectively be considered to be a Dwelling for purposes of this Declaration.

(t) “Mortgage” with an initial capital letter, shall mean and refer to a credit sale, mortgage, or other similar security instrument granting, creating, or conveying a lien upon, or a security interest in, a Lot or Dwelling (or any portion thereof).

(u) “Mortgagee” with an initial capital letter, shall mean and refer to the holder of a Mortgage.

(v) “Occupant” shall mean and refer to any person, including, without limitation, any Owner or any guest, invitee, lessee, tenant, or family member of an Owner, occupying or otherwise using a Dwelling within the Development.

(w) “Owner” with an initial capital letter, shall mean and refer to one or more persons, including Declarant, who or which owns title to any Lot or Dwelling.

(x) “Parcel” shall mean and refer to a part of the Property as shown on one or more Subdivision Plats.

(y) “Person” shall mean and refer to a natural person, corporation, partnership, association, trust, or other legal entity, or any combination thereof.

(z) “Property” with an initial capital letter, shall mean and refer to the Property, more or less, described on Exhibit A and B, together with all improvements thereon.

(aa) “Subdivision” with an initial capital letter, shall mean and refer to The Lakes of Greenleaves Subdivision as shown on the Subdivision Plat, recorded in Map File No. 993-B of the official records of St. Tammany Parish, Louisiana.

(bb) “Subdivision Plat” shall mean and refer to the final plat of a Parcel of the Development, together with any future revisions thereof, as presently recorded in Map File No. 993-B of the official records of St. Tammany Parish, Louisiana or as may be recorded from time to time in the Records of the Clerk of Court of St. Tammany Parish, Louisiana.

ARTICLE II

Plan of Development

Plan of Development of Property The Property shall be developed and maintained as an exclusive single family subdivision substantially in accordance with the map and plat of survey prepared by Kelly J. McHugh and Associates, Civil Engineers, dated June 20, 1988 and recorded in Map File No. 993-B of the official records of St. Tammany Parish, Louisiana (the “Plat”). It shall consist of Lots, Dwellings, and Common Areas, such as the Gatehouse, lakes, roads, drainage systems, and other improvements serving the Lots and Dwellings to the extent the same are from time to time installed and existing. The dimensions of the Lots are as shown on the Subdivision Plat. All Lots within the Development shall be and are hereby restricted exclusively to residential use and shall be subject to the standards and restrictions set forth in Article X hereof. Declarant shall have the right, but not the obligation, for so long as Declarant owns any Lot or Dwelling primarily for the purpose of sale, to make additions, improvements and changes to all Common Areas and to all Lots or Dwellings owned by Declarant, including, without limitation,

- (a) installation and maintenance of any improvements in and to the Common Areas,
- (b) changes in the location of the boundaries of
 - (i) any Lots or Dwellings owned by Declarant and/or
 - (ii) of the Common Areas,
- (c) installation and maintenance of any water, sewer, and other utility systems and facilities.

Title to the Common Areas shall be maintained by Declarant subject to a servitude of use in favor of the Owners as set forth in paragraph 3.02 until such time as Declarant, in its sole discretion, determines to transfer all or any part of the Common Areas in fee simple to the Association.

ARTICLE III

Property Rights

3.01 General Each Lot or Dwelling shall be conveyed, transferred, and encumbered subject to the provisions of this Declaration. Each Owner shall be entitled to the exclusive ownership and possession of his Lot or Dwelling, subject to the provisions of this Declaration, including without limitation, the provisions of this Article III. The ownership of each Lot and Dwelling shall include, and there shall pass with each Lot and Dwelling as an appurtenance thereto, whether or not separately described, all of the right and interest in and to the Common Areas as established hereunder, which shall include but not be limited to membership in the Association. Each Owner shall automatically become a member of the Association and shall remain a member thereof until such time as his ownership of Lot or Dwelling ceases for any reason, at which time his membership in the Association shall automatically pass to his successor-in-title to his Lot or Dwelling. Lots shall not be subdivided, and, except as provided in Article II and paragraph 3.06 hereof, the boundaries of Lots shall remain as established by the Subdivision Plat. However, nothing herein shall prohibit the addition to an existing Lot of a portion of another Lot of one or more entire Lots. However, when a part of one Lot is added to an existing Lot, the remainder of such Lot shall be added to another contiguous Lot, or, with the prior consent of the Association and Declarant, to contiguous Common Area. In no event shall the addition of a fractional Lot to an existing Lot result in any Lot having dimensions reduced from the original dimensions shown on the Subdivision Plat without the consent of the Architectural Review Committee and Declarant, as long as Declarant owns any of the Property.

3.02 Owner's Servitude of Enjoyment Subject to the provisions of this Declaration and the rules, regulations, fees, and charges from time to time established by the Board of Directors in accordance with the By-Laws and the terms hereof, every Owner, his family, tenants, and guests shall have a non-exclusive right, privilege, and servitude of use and enjoyment in and to the Common Areas, such servitude to be appurtenant to and to pass and run with title to each Lot and Dwelling, subject to the following provisions:

- (a) The right of the Association to borrow money
 - (i) for the purpose of improving the Common Areas, or any portion thereof,
 - (ii) for acquiring additional Common Areas,
 - (iii) for constructing, repairing, maintaining or improving any facilities located or to be located within the Common Areas, or
 - (iv) for providing the services authorized herein, and, subject to provisions of Section 8.02 hereof, to give as security for the payment of any such loan, a mortgage or other security instrument covering all or any portion of the Common Areas; provided, however, that the lien and

encumbrance of any such security instrument given by the Association shall be subject and subordinate to any and all rights, interests, options, licenses, servitudes, and privileges herein reserved or established for the benefit of the Declarant any Owner, or the holder of any Mortgage, irrespective of when such Mortgage is executed or given.

- (b) The rights and servitudes reserved to Declaration in Sections 3.05, 3.06, 3.07, 3.08, 3.10, 3.11 3.12 and 3.13.
- (c) The right of the Association to grant and accept servitudes as provided in Section 3.07 hereof and to dedicate or transfer fee simple title to all or any portion of the Common Areas to St. Tammany Parish, Louisiana, or to any other public agency or authority, public service district, public or private utility, or other person, provided that such transfer of the fee simple title must be approved by a majority of those present in person or by proxy at a duly held meeting of the Association and by Declarant primarily for the purpose of sale.
- (d) The rights and servitudes reserved in Section 3.0 hereof for the benefit of the Association, its directors, officers, agents, and employees.

3.03 Recreational Facilities Subject to the terms and provisions of this Declaration and the rules, regulations fees and charges from time to time established by the Board of Directors, every Owner and his family, tenants, and guest shall have and is hereby granted the non-exclusive rights, privileges, and servitude of access to and the use and enjoyment of the recreational areas and amenities as are now or hereafter located in the Common Areas. An Owner may assign to the tenant of his Dwelling such Owner's rights of access to and use of the recreational facilities so that such tenant, his family and guests shall be entitled to the access to and use and enjoyment of the recreational facilities on the same basis as an Owner and his family and guests.

3.04 Access All Owners, by accepting title to Lots or Dwelling conveyed subject to this Declaration, waive all rights of uncontrolled and unlimited access, ingress, and egress to and from such Lot or Dwelling and acknowledge and agree that such access, ingress, and egress shall be limited to roads, sidewalks, walkways, and trails located within the Development from time to time, provided that pedestrian and vehicular access to and from all Lots and Dwellings shall be provided at all times. In order to provide such access, Declarant, subject to the terms and provisions of this Declaration and the rules, regulations, fees and charges from time to time established by the Board of Directors, does hereby grant unto the owners of any Lot or Dwelling a non-exclusive servitude of passage over those streets and/or pedestrian paths designated on any one or more Final Subdivision Plats of the Property and the streets or pedestrian paths designated on subsequent final Subdivision Plats.

There is reserved unto Declarant, the Association, and their respective successors and assigns the right and privilege, but not the obligation, to maintain guarded or electronically-monitored gates controlling vehicular access to and from the Development.

3.05 Servitudes for Declarant During the period that Declarant owns any Lot or Dwelling primarily for the purpose of sale, Declarant shall have an alienable and transferable real right and servitude on, over, through, under, and across the Common Areas for the purpose of constructing Dwellings and other improvements in and to the Lots and for installing, maintaining, repairing, and replacing such other improvements to the Property (including any portions of the Common Areas) as are contemplated by this Declaration or as Declarant desires, in its sole discretion, including, without limitation, any improvements or changes permitted and described by Article II hereof, and for the purpose of doing all things reasonably necessary and proper in connection therewith, provided in no event shall Declarant have the obligation to do any of the foregoing. In addition to the other rights and servitudes set forth herein and regardless of whether Declarant at that time retains ownership of a Dwelling or Lot, Declarant shall have an alienable, transferable, and perpetual right and servitude to have access, ingress, and egress to the Common Areas and improvements thereon for such purposes as Declarant deems appropriate, provided that Declarant shall not exercise such right so as to unreasonably interfere with the rights of Owners in the Development to the use of the Common Areas.

3.06 Changes in Boundaries: Additions to Common Areas Declarant expressly reserves for itself and its successors and assigns, the right to change and realign the boundaries of the Common Areas or any Lots and Dwellings, including the realignment of boundaries between adjacent Lots and Dwellings owned by Declarant, provided that any such change or realignment of boundaries shall not materially decrease the acreage of the Common Areas and shall be evidenced by a revision of or an edition to the Subdivision Plat which shall be recorded in the Map Records of the Clerk of Court for St. Tammany Parish, Louisiana. Furthermore, Declarant reserves for itself, its affiliates, successors, and assigns the right, but shall not have the obligation, to convey, without warranty, to the Association at any time and from time to time, as an addition to the Common Areas, either full ownership or a perpetual servitude of use of such other portion of the Development owned by Declarant as it, in its discretion, shall choose.

3.07 Servitudes for Utilities and Public Services

- (a) There is hereby reserved for the benefit of Declarant, the Association, and their respective successors and assigns, the alienable, transferable, and perpetual right and servitude, as well as the power to grant and accept servitudes to and from St. Tammany Parish, Louisiana, or any other public authority, or agency, public service district, public or private utility, or other person, upon, over, under, and across all of the Common Areas in which Dwellings are not constructed or erected, and for the

purpose of installing, replacing, repairing, maintaining, and using master television antenna and/or cable systems, security and similar systems, and all utilities, including, but not limited to storm sewers and drainage systems and electrical, gas, telephone, water, and sewer lines. Such servitudes may be granted or accepted by Declarant, its successors or assigns, or by the Board of Directors, provided, however, that for so long as Declarant owns any Lot or Dwelling primarily for the purpose of sale, the Board of Directors must obtain the written consent of the Declarant prior to granting and accepting any such servitudes. To the extent possible, all utility lines and facilities serving the Development and located therein shall be located underground. By virtue of any such servitude and facilities, it shall be expressly permissible for the providing utility company or other supplier of services, with respect to the portions of the Development so encumbered,

- (i) to erect and maintain pipes, lines, manholes, pumps and other necessary equipment and facilities,
 - (ii) to cut and remove any trees, bushes, or shrubbery
 - (iii) to grade, excavate, or fill, or
 - (iv) to take any other similar action reasonably necessary to provide economical and safe installation, maintenance, repair, replacement, and use of such utilities and systems.
- (b) Declarant hereby grants to St. Tammany Parish, Louisiana, or such other governmental authority or agency as shall from time to time have jurisdiction over the Development with respect to law enforcement and fire protection, the perpetual, non-exclusive right and servitude upon, over and across all of the Common Areas for purposes of performing such duties and activities related to law enforcement and fire protection in the Development as shall be required or appropriate from time to time by such governmental authorities under applicable law.

3.08 Servitudes for Walks, Trails, Signs, Perimeter Fencing and Greenbelts

There is hereby reserved for the benefit of Declarant, the Association, and their respective successors and assigns, the alienable, transferable, and perpetual right and servitude upon, over, and across those strips of land ten (10') feet in width located along and contiguous to those boundaries which are contiguous to streets and roads for all Lots and all Dwellings for the installation, maintenance, and use of sidewalks, traffic directional signs, and related improvements, provided that Declarant shall have no obligations to construct any such improvements. There is further reserved for the benefit of Declarant, the Association, and their respective successors and assigns, the alienable, transferable and perpetual right and servitude upon, over, and across those strips of land fifteen (15') feet in width located along those boundaries of all Lots and Dwellings that constitute part of the perimeter boundary of the Development, such

servitude to be for the purpose of constructing, installing, replacing, repairing and maintaining a perimeter wall or fence around the perimeter boundary of the Development, provided that Declarant shall have no obligation to construct any such perimeter wall or fence. In addition, Declarant shall have the right to establish Greenbelt Areas along the perimeter of the Development within Lot areas for a distance not to exceed forty (40') feet as measured from the rear Lot line.

3.09 Servitudes for Association There is hereby reserved a general right and servitude for the benefit of the Association, its directors, officers, agents, and employees, including, but not limited to, any manager employed by the Association and any employees of such manager, to enter upon any Lot or Dwelling or any portion thereof in the performance of their respective duties. Except in the event of emergencies, this servitude is to be exercised only during normal business hours and then, whenever practicable, only upon advance notice to and with permission of the Owner or Occupant of the Lot or Dwelling directly affected thereby.

3.10 Sales and Construction Offices Notwithstanding any provisions or restrictions herein to the contrary, there is hereby reserved for the benefit of Declarant and its successors and assigns the alienable and transferable right and servitude in and to the Property, including the Gatehouse and other such Common Areas for the maintenance of signs, sales offices, construction offices and business offices, together with such other facilities as in the sole opinion of Declarant may be reasonably required, convenient, or incidental to the completion, improvement and/or sale of Lots and Dwellings and Common Areas, for so long as Declarant owns any Lot or Dwelling primarily for the purpose of sale. The servitude provided in this paragraph shall terminate with respect to any Lot or Dwelling ipso facto upon the sale of such Lot or Dwelling by Declarant to a third party.

3.11 Servitudes for Undeveloped Parcels of the Property There is hereby reserved an favor of Declarant and Premier Bank, N.A., and their successors and assigns as a burden upon the developed Property, perpetual, non-exclusive rights and servitudes for

- (i) pedestrian and vehicular ingress, egress, and parking, in favor of the undeveloped Parcels of the Property across, within, and on all roads, sidewalks, trails and parking facilities, from time to time located within the Common Areas or within servitudes serving the Common Areas,
- (ii) the installation, maintenance, repair, replacement, and use within the Common Areas encumbered pursuant to Section 3.07 hereof of security systems and utility facilities and distribution lines, including, without limitation, drainage systems, storm sewers, and electrical, gas, telephone, water, sewer, and master television antenna and/or cable system lines, and

- (iii) drainage and discharge of surface water onto and across the Property, provided that such drainage and discharge shall not materially damage or affect the Property or any improvements from time to time located thereon.

3.12 Maintenance Servitudes

- (a) Subject to the terms of Section 5.02(b) hereof, there is hereby reserved for the benefit of Declarant, the Association and their respective agents, employees, successors, and assigns, an alienable, transferable, and perpetual right and servitude to enter upon any Lot and upon unimproved portion of any Dwelling for the purpose of moving, removing, clearing, cutting or pruning underbrush, weeds, stumps, or other unsightly growth and removing trash, so as to maintain reasonable standards of health, fire safety, and appearance within the development, provided that such servitudes shall not impose any duty or obligation upon Declarant or the Association to perform any such actions.
- (b) There is hereby further reserved unto Declarant, the Association, and their respective agents, employees, successors, and assigns, an alienable, transferable, and perpetual right and servitude over and across that portion of any Lot within fifteen (15') feet of the edge of any lake in the Development for the purpose of maintaining the lake and lake bank.

3.13 Environmental Servitude There is hereby reserved for the benefit of Declarant, the Association, and their respective agents, employees, successors and assigns, an alienable, transferable, and perpetual right and servitude on, over, and across all Lots and all unimproved portions of Dwellings for the purpose of taking any action necessary to effect compliance with environmental rules, regulations, and procedures from time to time promulgated or instituted by the Board of Directors or by any governmental entity, such servitude to include, without limitation, the right to implement erosion control procedures and practices, the right to drain standing water, the right to draw down the lakes, and the right to control the dispensing of fertilizers and pesticides.

3.14 Landscaping Near Conservancy Area, Plan Approval In addition to the provisions of Article X hereof, the landscaping plan for any Lots, Dwellings and the portions of the Common Areas contiguous to any Conservancy Area shall, for that portion of such Lot, Dwelling or Common Areas which is within thirty (30') feet of any such Conservancy Area be in general conformity with the overall landscaping plan for the Conservancy Area, and shall be subject to approval, by the Architectural Review Committee, which approval shall not be unreasonably withheld. To promote a suitable and attractive open space atmosphere, no solid line of fence, wall, building or shrubbery will be permitted within said (30') foot portion of those Lots, Dwellings or portion of the Common Areas which are contiguous to the Conservancy Area.

There is hereby reserved over and across such thirty (30) foot portion of those Lots, Dwellings and Common Areas the right and servitude of light, air and view for the benefit of the adjacent Lots and other property within the Development.

3.15 No Partition To the maximum extent permitted by Louisiana law, there shall be no judicial partition of the Development or any part thereof, nor shall any person acquiring any interest in the Development or any part thereof seek any such judicial partition unless the Development has been removed from the provisions of this Declaration.

ARTICLE IV

Membership

4.01 Membership Every Owner shall be deemed to have a membership in the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot or Dwelling, and ownership of a Lot or Dwelling shall be the sole qualification for such membership. In the event that ownership of a Lot or Dwelling is transferred or otherwise conveyed, the membership in the Association which is appurtenant thereto shall automatically pass to such transferee. The foregoing is not intended to include Mortgagees and any other persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate or otherwise affect an Owner's membership in the Association. Notwithstanding any of the foregoing to the contrary, no Owner, whether one or more persons, shall have more than one membership per Lot or Dwelling. In the event of multiple Owners of a Lot or Dwelling, votes and rights of use and enjoyment shall be as provided herein. The rights and privileges of membership, including the right to vote and to hold an office in the Association, may be exercised by a member or a member's spouse, but in no event shall more than one vote be cast or more than one office held for each Lot or Dwelling, and further provided that a member casting a vote or holding an office with respect to his Dwelling shall not be entitled to cast an additional vote or to hold an additional office for the Lot upon which his residential unit is located. When more than one person holds an interest in any Lot or Dwelling, the vote for such Lot or Dwelling shall be exercised as those Owners of such Lot or Dwelling themselves determine and advise the Secretary or an Assistant Secretary of the Association prior to any meeting. In the absence of such advice, the vote appurtenant to such Lot or Dwelling shall be suspended in the event more than one person seeks to exercise it. The voting weight appurtenant to each Lot or Dwelling is equal and each Lot and each Dwelling shall have one vote.

ARTICLE V

Maintenance

5.01 Responsibilities of Owners Unless specifically identified herein, all maintenance and repair of Lots and Dwellings, together with all other improvements thereon or therein and all lawns, landscaping, and grounds on and within a Lot or Dwelling shall be the responsibility of the Owner of such Lot or Dwelling. Each Owner shall be responsible for maintaining his Lot or Dwelling, as the case may be, in a neat, clean, and sanitary condition, and such responsibility shall include the maintenance and care of all exterior surfaces of all Dwellings, buildings, and other structures and all lawns, (cut to a maximum height of six [6"] inches), trees, shrubs, hedges, grass, and other landscaping. As provided in Section 5.02(b) hereof, each Owner shall also be obligated to pay for the costs incurred by the Association for repairing, replacing, maintaining, or cleaning any item which is the responsibility of such Owner, but which responsibility such Owner fails or refuses to discharge. No Owner shall

- (i) decorate, change, or otherwise alter the appearance of any portion of the exterior of a Dwelling or the landscaping, grounds or other improvements within a Lot unless such decoration, change or alteration is first approved, in writing, by the Architectural Review Committee as provided in Article X hereof, or
- (ii) do any work which, in the reasonable opinion of the Architectural Review Committee, would jeopardize the soundness and safety of the Development, reduce the value thereof, or impair any servitude thereto, without in every such case obtaining the written approval of the Architectural Review Committee.

5.02 Association's Responsibility

- (a) Except as may be herein otherwise specifically provided, the Association shall maintain and keep in good repair all portions of the Common Areas which responsibility shall include the maintenance, repair and replacement of
 - (i) the Gatehouse, all roads, walks, trails parking lots, landscaped areas, recreational areas, lakes, and other improvements situated within the Common Areas or within servitude encumbering Lots or Dwellings pursuant to Section 3.04 and 3.08 hereof,
 - (ii) such security systems and utility lines, pipes, plumbing, wires, conduits, and related systems which are part of the Common Area and which are not maintained by the public authority, public service district, public or private utility, or other person, and

- (iii) all lawns, trees, shrubs, hedges, grass or other landscaping situated within or upon the Common Areas.

The Association shall not be liable for injury or damage to any person or property.

- (i) caused by the elements or by any Owner or any other person,
- (ii) resulting from any rain or other surface water which may leak or flow from any portion of the Common Areas, or
- (iii) caused by the disrepair of any pipe, plumbing, drain, lake, conduit, appliance, equipment, security system, or utility line or facility, the responsibility for the maintenance of which is that of the Association.

Nor shall the Association be liable to any Owner for loss or damage, by theft or otherwise, of any property of such Owner which may be stored in or upon any portion of the Common Areas or any other portion of the Property. No diminution or abatement of the assessments shall be claimed or allowed by reason of any alleged failure of the Association to take some action or to perform some function required to be taken or performed by the Association under this Declaration, or for inconvenience or discomfort arising from the making of improvements or repairs which are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority, the obligation to pay such assessments being a separate and independent covenant on the part of each Owner.

- (b) In the event that Declarant or the Board of Directors determines that:
 - (i) any Owner has failed or refused to discharge properly his or its obligations with regard to the maintenance, cleaning, repair, or replacement of items for which he or it is responsible hereunder, or
 - (ii) that the need for maintenance, cleaning, repair, or replacement which is the responsibility of the Association hereunder is caused through the willful or negligent act of an Owner, his family, tenants, guests, or invitees, and is not covered or paid for by insurance in whole or in part, then in either event, Declarant or the Association, except in the event of an emergency situation, may give such Owner written notice of Declarant's or the Association's intent to provide such necessary maintenance, cleaning, repair, or replacement, at the sole cost and expense of such Owner, as the case

may be, and setting forth with reasonable, particularity the maintenance, cleaning, repairs, or replacement deemed necessary. Except in the event of emergency situations, such Owner, as the case may be, shall have fifteen (15) days within which to complete the same in a good and workmanlike manner, or in the event that such maintenance, cleaning, repair, or replacement is not capable of completion within said fifteen (15) day period, to commence said maintenance, cleaning repair, or replacement, and diligently proceed to complete the same in good and workmanlike manner. In the event of emergency situations or the failure of any Owner to comply with the provisions hereof after such notice, Declarant or the Association may provide (but shall not have the obligation so to provide) any such maintenance, cleaning, repair, or replacement at the sole cost and expense of such Owner, and said cost shall be added to and become a part of the assessment to which such Owner and his Lot or Dwelling are subject and shall become a lien against such Lot or Dwelling. In the event that Declarant undertakes such maintenance, cleaning, repair, or replacement, the Association shall promptly reimburse Declarant for Declarant's costs and expenses.

- (c) The Association shall pay all property taxes assessed against Common Areas and shall maintain liability insurance for accidents or damage occurring on said Common Areas or as a result of conditions thereon. Said policies of insurance shall be in amounts of at least One Million and No/100 (\$1,000,000.00) Dollars and shall name Declarant as an additional insured and a certificate of insurance shall be furnished to Declarant.

5.03 Voting The Association shall have two classes of voting membership:

CLASS A: Class A Members shall be all Owners with the exception of Declarant, so long as Declarant holds any Class B membership. Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership. When more than one person holds such interest for interest in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any such Lot.

CLASS B: Class B Member(s) shall be Declarant. The Class B Member(s) shall have a total number of votes equal to one (1) more than the total number of votes of the Class A Members. However, at such times as the total number of Lots owned by the Class A Members equals or exceeds four (4) times the total number of Lots owned by the Class B Member(s), the Class B Member(s) shall, during the time such equality or excess continues, be entitled to only one (1) vote for every Lot owned by it. Control of the Association shall become vested in the Class A Members not later than the earlier of

- (i) 120 days after completion of transfer of such Class A Members of title to Lots representing one hundred (100%) per cent of the Lots in the Project, or
- (ii) January 1, 1999, or
- (iii) upon surrender of all Class B Membership by the holder for cancellation on the books of the Association.

ARTICLE VI

Insurance and Casualty Losses

6.01 Insurance

- (a) The Board of Directors or its duly authorized agents shall have the authority to and shall obtain and continue in effect adequate property insurance, in such form as the Board deems appropriate, for the benefit of the Association and insuring all insurable improvements in and to the Common Areas against loss or damage by fire or other hazards, including, without limitation, extended coverage, flood, vandalism, and malicious mischief, such coverage to be in an amount sufficient to cover the full replacement cost (without depreciation but subject to such deductible levels as are deemed reasonable by the Board) of any repair or reconstruction in the event of damage or destruction from any such hazard.
- (b) The Board or its duly authorized agents shall have the authority to and shall obtain and continue in effect a public liability policy covering all the Common Areas and all damage or injury caused by the negligence of the Association, its members, its directors and officers, or any of its agents. Such public liability policy shall provide such coverages as are determined to be necessary by the Board of Directors.
- (c) The Board or its duly authorized agents shall have the authority and may obtain
 - (i) worker's compensation insurance to the extent necessary to comply with any applicable laws and

- (ii) such other types and amounts of insurance as may be determined by the Board to be necessary or desirable.
- (d) All insurance coverage obtained by the Board of Directors shall be written in the name of the Association for the benefit of each of the Owners and costs of all such coverage shall be a Common Expense. Exclusive authority to adjust losses under policies obtained by the Association and hereafter in force with respect to the Development shall be vested in the Board of Directors; provided, however, that no mortgagee or other security holder of the Common Areas having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto. Insofar as permitted by law, the Association shall be required to make every effort to secure insurance policies with the provisions hereinafter set forth:
 - (i) All policies shall be written with a company licensed to do business in the State of Louisiana and holding a rating of A-XI or better in such financial categories as established by Best's Insurance Reports, if such a company is available, or if not available, its equivalent rating or the best rating possible.
 - (ii) All property insurance policies shall be for the benefit of the Owners and their Mortgagees as their interests may appear.
 - (iii) All policies shall contain a waiver of the insurer's right to cancel without first giving thirty (30) days prior written notice of such cancellation to the Association and to any Mortgagee to which a mortgagee endorsement has been issued.
 - (iv) In no event shall the insurance coverage obtained and maintained by the Association's Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners or their Mortgagees, and all policies shall contain a provision that the "other insurance" clauses in such policies exclude from consideration policies obtained by individual Owners or Mortgagees.
 - (v) All policies shall contain a waiver of subrogation by the insurer as to any claims against the association, the Association's directors and officers, the Owners, and their respective families, servants, agents, tenants, guests, and invitees, including, without limitation, the Association's manager.

- (vi) All policies shall contain a provision that no policy may be canceled, invalidated, or suspended on account of the conduct of one or more of the individual Owners, or their respective families, servants, agents, employees, tenants, guests, and invitees, or on account of the acts of any director, officer, employee, or agent of the Association or of its manager, without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured.
- (vii) All liability insurance shall contain cross—liability, liability endorsements to cover liability of the Association to an individual Owner.
- (e) It shall be the individual responsibility of each Owner at his own expense to provide public liability, property damage, title, and other insurance with respect to his own Lot and Dwelling. The Board of Directors may require all, Owners to carry public liability and property damage insurance with respect to their respective Lots and Dwellings and to furnish copies or certificates thereof to the Association.

6.02 Damage or Destruction to Common Areas Immediately after the damage or destruction by fire or other casualty to all or any part of the Common Areas covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance, and, in any such event, the Board shall obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this Article VI, means repairing or restoring the damaged property to substantially the same condition in which it existed prior to the fire or other casualty. Unless within sixty (60) days following any damage or destruction to all or a part of the Common Areas, Declarant, for so long as Declarant owns a Lot or Dwelling primarily for the purpose of sale, together with at least seventy-five (75%) per cent of the total vote of the Association, shall otherwise agree, the Association shall restore or replace such damaged improvements. If the insurance proceeds, if any, for such damage or destruction are not sufficient to defray the cost thereof, and such deficiency cannot be appropriated from a reserve fund as may have been established for such purpose, the Board of Directors may levy a special assessment against all Owners, without the necessity of a vote pursuant to Section 9.04 hereof, such special assessment to be in an amount sufficient to provide funds to pay such excess cost of repair or reconstruction. Such a special assessment shall be levied against the Owners equally in the same manner as annual assessments are levied and additional assessments may be made at any time during or following the completion of any repair or reconstruction. Any and all sums paid to the Association under and by virtue of such assessments shall be held by and for the benefit of the Association together with the insurance proceeds, if any, for such damage or destruction. Such insurance proceeds and assessments shall be disbursed

by the Association in payment for such repair or reconstruction pursuant to and in accordance with such method of distribution as is established by the Board of Directors. Any proceeds remaining after defraying such costs shall be retained by and for the benefit of the Association. If it is determined that the damage or destruction for which the insurance proceeds are paid shall not be repaired or reconstructed, such proceeds shall be first paid to satisfy any outstanding mortgages against the damaged or destroyed property, and the balance, if any, shall be retained by and for the benefit of the Association; and the ruins of the Common Areas damaged or destroyed by fire or other casualty shall be cleared and the Common Areas left in a clean, orderly, safe and sightly condition.

6.03 Damage or Destruction to Lots of Dwellings In the event of damage or destruction by fire or other casualty to any Lots or Dwellings and in the further event that the Owner of such Lot or Dwelling elects not to repair or rebuild the damaged or destroyed Lot or Dwelling, such Owner making such election shall promptly clean away the ruins and debris of any damaged improvements or vegetation and leave such Lot or Dwelling in a clean, orderly, safe, and sightly condition. Should such Owner elect to repair or rebuild such Lot, Dwelling or other improvements to substantially the same conditions as existed prior to such fire or other casualty and in accordance with all applicable standards, restrictions, and provisions of this Declaration (including, without limitation, Article X hereof) and all applicable zoning, subdivision, building and other governmental regulations. All such work of repair or construction shall be commenced promptly following such damage or destruction and shall be carried through diligently to conclusion.

ARTICLE VII

Condemnation

7.01 Condemnation of Common Areas Whenever all or any part of the Common Areas of the Development shall be taken by any authority having the power of condemnation or eminent domain, or is conveyed in lieu thereof by the Board acting on the agreement of at least seventy-five (75%) per cent of the total vote of the Association (which conveyance may only occur with the approval of Declarant, for so long as Declarant owns a Lot or Dwelling primarily for the purpose of sale) the award or proceeds made or collected for such taking or sale in lieu thereof shall be payable to the Association and shall be disbursed or held as follows:

- (a) If the taking or sale in lieu thereof involves a portion of the Common Areas on which improvements have been constructed, then, unless within sixty (60) days after such taking Declarant, for so long as Declarant owns a Lot or Dwelling primarily for the purpose of sale, together with at least seventy-five (75%) per cent of the total membership of the Association, shall otherwise agree, the Association shall restore or replace such improvements so taken, to the extent practicable, on the remaining lands included in the Common Areas which are

available therefor, in accordance with the plans approved by the Board of Directors, the Architectural Review Committee, and by Declarant, for so long as Declarant owns a Lot or Dwelling primarily for the purpose of sale. If the awards or proceeds are not sufficient to defray the cost of such repair and replacement and such deficiency cannot be appropriated from a reserve fund as may have been established for such purpose, the Board of Directors, may levy a special assessment against all Owners, without the necessity of a vote pursuant to Section 9.04 hereof, such special assessment to be in an amount sufficient to provide funds to pay such excess costs of repair or reconstruction. Such special assessment shall be levied against the Owners equally in the same manner as annual assessments are levied, and additional special assessments may be made at any time during or following the completion of any repair or reconstruction. If such improvements are not to be repaired or restored, the award or proceeds shall be retained by and for the benefit of the Association.

- (b) If the taking or sale in lieu thereof does not involve any improvements to the Common Areas, or if there are net funds remaining after such restoration or replacement of such improvements is completed, then such award, proceeds, or net funds shall be retained by and for the benefit of the Association.

7.02 Condemnation of Lots or Dwellings

- (a) In the event that all or any part of a Lot or Dwelling is taken by any authority having the power of condemnation or eminent domain, or is conveyed in lieu thereof, and in the further event that the Owner of such Lot or Dwelling responsible for the maintenance and repair of each Lot or Dwelling, as the case may be, elects not to restore the remainder of the Lot or Dwelling, then such Owner making such election shall promptly clear away any remaining improvements damaged or destroyed by such taking or conveyance and shall leave such Lot or Dwelling and any remaining undamaged improvements thereon in a clean, orderly, safe and sightly condition. In addition, if the size or configuration of such Lot or Dwelling remaining after such taking or conveyance is insufficient to permit the restoration of the remaining improvements thereon or therein to their condition prior to such taking or conveyance in compliance with all applicable standards, restrictions, and provision of this Declaration and all applicable zoning, subdivision, building, and other governmental regulations, then such Owner shall have the option, after clearing away all remaining improvements or portions thereof and placing the remainder in a clean orderly, safe and sightly condition referred

to above, of deeding the remaining portion of the Lot or Dwelling to the Association as a part of the Common Areas, and thereafter any such Owner shall not have any further voting rights or membership rights or privileges in the Association or with respect to the Development and shall not be subject to any further assessments imposed by the Association and payable after the date of such deeding.

- (b) In the event that any part of a Lot or Dwelling is taken by any authority having the power or condemnation or eminent domain, or is conveyed in lieu thereof, and if the Owner of such Lot or Dwelling responsible for the maintenance and repair of such Lot or Dwelling elects to restore the remainder of the Lot or Dwelling, such Owner making such election shall restore such remainder of such Lot or Dwelling as nearly as practicable to the same condition it was in prior to such taking or conveyance and in accordance with all applicable standards, restrictions, and provisions of this Declaration and all applicable zoning, subdivision, building, and other governmental regulations. All such work of restoration shall be commenced promptly following such taking or conveyance and shall be carried through diligently to conclusion.

ARTICLE VIII

Administration

8.01 Common Areas The Association, subject to the rights of Declarant and the rights and duties of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Areas and all improvements thereon (including furnishings and equipment related thereto) and shall keep the same in a good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions thereof. Except to the extent otherwise required by the provisions of the Non-Profit Corporation Law of Louisiana, this Declaration, the By-Laws, or the Articles of Incorporation, the powers herein or otherwise granted to the Association may be exercised by the Board of Directors, acting through the officers of the Association, without any further consent or action on the part of the Owners. As provided in Section 12.01 hereof and notwithstanding any other provision to the contrary contained in any instruments evidencing or establishing the Development, Declarant shall have the right to appoint or remove any member or members of the Board of Directors or any officer or officers of the Association until such time as the first of the following events shall occur:

- (i) the expiration of ten (10) years after the date of the recording of this Declaration; or
- (ii) the surrender by Declarant of the authority to appoint and remove directors and officers of the Association by an express amendment to this Declaration executed and

recorded by Declarant. Each Owner, by acceptance of a deed to other conveyance of a Lot or Dwelling, vests in Declarant such authority to appoint and remove directors and officers of the Association as provided by this Section 8.01 and by Section 12.01 hereof.

8.02 Duties and Powers The duties and powers of the Association shall be those set forth in the provisions of the Non-Profit Corporation Law of Louisiana, this Declaration, the By-Laws, and the Articles of Incorporation, together with those reasonably implied to effect the purposes of the Association; provided, however, that if there are conflicts or inconsistencies between the Non-Profit Corporation Law of Louisiana, this Declaration, the By-Laws, or the Articles of Incorporation, the provisions of the Non-Profit Corporation Law of Louisiana, this Declaration, and the By-Laws, in that order, shall prevail, and each Owner of a Lot or Dwelling, by acceptance of title thereto, covenants to vote in favor of such amendments as will remove such conflicts or inconsistencies. The Association may exercise any other right or privilege given to it expressly by this Declaration or by law, together with every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege. Such powers of the Association shall include, but shall not be limited to, the power to purchase one or more Lots and/or Dwellings and to hold, lease, mortgage, sell, and convey the same. Such duties may include, but shall not be limited to, arranging with governmental agencies, public service districts, public or private utilities, or others, as a Common Expense or by billing directly to Lots and Dwellings. Notwithstanding the foregoing provision of this Section 8.02 or any other provision of this Declaration to the contrary, for so long as Declarant shall own any Lot or Dwelling primarily for the purpose of sale, the Association shall not, without the consent of Declarant, borrow money or pledge, mortgage, or hypothecate all or any portion of the Common Areas.

8.03 Agreements Subject to the prior approval of Declarant for so long as Declarant owns a Lot or Dwelling primarily for the purpose of sale, all agreements and determinations lawfully authorized by the Board of Directors shall be binding upon all Owners, their heirs, legal representatives, successors, and assigns, and all others having an interest in the Development; and in performing its responsibilities hereunder; the Association, through its Board of Directors, shall have the authority to delegate to persons of its choice such duties of the Association as may be determined by the Board of Directors. In furtherance of the foregoing and not in limitation thereof, the Association may obtain and pay for the services of any person or entity to manage its affairs or any part thereof, to the extent it deems advisable, as well as such other personnel as the Association shall deem necessary to desirable for the proper operation of the Development, whether such personnel are furnished or employed directly by the Association or by any person or entity with whom or with which it contracts. All costs and expenses incident to the employment of a manager shall be a Common Expense. During the term of such management agreement, such manager may, if authorized by the Board of Directors, exercise all of the powers and shall be

responsible for the performance of all the duties of the Association, excepting any of those powers or duties specifically and exclusively reserved to the directors, officers, or members of the Association by this Declaration or the By-Laws.

Such manager may be an individual, corporation, or other legal entity, as the Board of Directors shall determine, and may be bonded in such manner as the Board of Directors may require, with the cost of acquiring any such bond to be a Common Expense. In addition, the Association may pay for, and the Board of Directors may hire and contract for, such legal and accounting services as are necessary or desirable in connection with the operation of the Development or the enforcement of this Declaration, the By-Laws, or the rules and regulations of the Association.

8.04 Management Agreement The Lakes of Mandeville, Inc. or an affiliate shall be employed as the manager of the Association and the Development for such period of time as Declarant has the right to appoint and remove officers and directors of the Association, with the option on the part of The Lakes of Mandeville, Inc. or its affiliate to renew such employment for three (3) successive one (1) year terms from and after the termination of such appointment and removal right. Every grantee of any interest in the Development, by acceptance of a deed or other conveyance of such interest, shall be deemed to ratify such management agreement.

8.05 Personal Property and Immovable Property for Common Use The Association, through action of its Board of Directors, may acquire and hold tangible and intangible personal property and immovable property and may dispose of the same by sale or otherwise. All funds received and title to all properties acquired by the Association and the proceeds thereof, after deducting therefrom the costs incurred by the Association in accounting or selling the same, shall be held by and for the benefit of the Association. The shares of the Owners in the funds and assets of the Association cannot be individually assigned, hypothecated, or transferred or in any manner, except to the extent that a transfer of the ownership of a Lot or Dwelling also transfers the membership in the Association which is an appurtenance to such Lot or Dwelling.

8.06 Rules and Regulations As provided in Article XI hereof, the Association, through its Board of Directors, may make and enforce reasonable rules and regulations governing the use of the Lots, Dwellings, and Common Areas, which rules and regulations shall be consistent with the rights and duties established by this Declaration.

8.07 Indemnification The Association shall indemnify every officer, manager, and director of the Association against any and all expenses, including court costs and reasonable attorney fees, reasonably incurred by or imposed upon any officer or director in connection with any action, suit or other proceeding (including settlement of any suit or proceeding if approved by the Board of Directors) to which he may be made a party by the reason of being or having been an officer, manager or director at the time such expenses are incurred. The officers and directors shall not be liable for any mistake of judgment, negligence or otherwise, except for their own

willful misconduct or nonfeasance. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officer, manager or directors may also be members of the Association) and the Association shall indemnify and forever hold each such officer, manager and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein, shall not be exclusive of any other rights to which any officer, manager or director, or former officer, manager or director, may be entitled. The Association shall as a Common Expense maintain adequate general liability and officers' and directors' liability insurance to fund this obligation.

ARTICLE IX

Assessments

9.01 Purpose of Assessments The assessments for Common Expenses provided for herein shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and occupants of the Development, and maintaining the Development and improvements therein, all as may be more specifically authorized from time to time by the Board of Directors.

9.02 Creation of Lien and Personal Obligation of Assessments Each Owner of a Lot or Dwelling, by acceptance of title thereto whether or not it shall be so expressed in such deed or conveyance, is deemed to covenant and agree to pay to the Association:

- (a) annual assessments to be established and collected as provided in Section 9.03 hereof,
- (b) special assessments to be established and collected as provided in Section 9.04 hereof,
- (c) individual, Gatehouse or specific assessments against any particular Lot or Dwelling which are established pursuant to the terms of this Declaration, including, but not limited to, fines as may be imposed against such Lot or Dwelling in accordance with Article XI hereof.

Any such assessments, together with late charges, simple interest at the rate of twelve (12%) per cent per annum, and court costs and attorneys' fees incurred to enforce or collect such assessments, shall be a real obligation and lien upon the Lot or Dwelling, the Owner of which is responsible for payment. Each Owner shall be personally liable for assessments coming due while he is the Owner of a Lot or Dwelling, and his successor-in- title shall take title to such Lot or Dwelling subject to the real obligation and lien, but without prejudice to the rights of such successor-in-title to recover from his predecessor-in- title any amounts paid by such successor-in-title therefor. In the event of co-ownership of any Lot or Dwelling, all of such co-owners shall be solely liable for the entire amount of such assessments. Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors. Unless

otherwise provided by the Board, the annual assessments shall be paid in one installment in advance once each year.

9.03 Computation of Annual Assessments The initial annual assessments are hereby fixed at \$500.00 per year until such time as the Board approves or changes the initial annual assessment as specified hereinafter in Section 9.03. It shall be the duty of the Board at least thirty (30) days prior to the Association 's annual meeting to prepare a budget covering the estimated Common Expenses during the coming year, such budget to include a capital contribution or reserve account if necessary for the capital needs of the Association. The Board shall cause the budget and the proposed total of the annual assessments to be levied against Lots and Dwellings for the following year to be delivered to each Owner at least fifteen days prior to such meeting. The total annual assessments shall be divided among the Lots and Dwellings equally, so that each Lot or Dwelling shall be subject to equal annual assessments. The budget and the annual assessments shall become effective unless disapproved at the annual meeting by either

- (i) Declarant, for so long as Declarant has the authority to appoint and remove directors and officers of the Association, or
- (ii) a vote of a majority of the votes of the Owners who are voting in person or by proxy at such meeting (provided that a minimum vote of fifty-one per cent (51%) of the total property owners shall be required to disapprove the budget).

Notwithstanding the foregoing, in the event the proposed budget is not approved or the board fails for any reason to determine the budget for the succeeding year, then and until such time as a budget shall have been determined as provided herein, the budget and annual assessments in effect for the then current year shall be increased in proportion to the percentage increase, if any, for the then current year, in the Consumer Price Index (all Urban Consumers, United States City Average, All Items 1967—100), or its successor index, and such increased budget shall be implemented for the succeeding year, until a new budget shall have been approved as provided above. If any budget at any time proves inadequate for any reason, then the Board may call a meeting of the Association for the approval of a special assessment as provided in Section 9.04 hereof. The Common Expenses to be funded by the annual assessments may include, but shall not necessarily be limited to, the following:

- (i) management fees and expenses of administration, including legal and accounting fees and insurance premiums;
- (ii) utility charge for utilities serving the Common Areas and charges for other common services if any such services or charges are provided by the Association;
- (iii) the expenses of maintenance, operation and repair of those portions of the Common Areas which are the responsibility of the Association under the provisions of this Declaration;

- (iv) the expenses of maintenance, operation and repair of other amenities and facilities serving the Development, the maintenance, operation and repair of which the Board from time to time determines to be in the best interest of the Association;
- (v) the expenses of the Architectural Review Committee which are not defrayed by plan review charges;
- (vi) ad valorem real and personal property taxes assessed and levied against the Common Areas;
- (vii) expenses for the maintenance of the lakes and Common Area landscaping contained in the Development;
- (viii) the expenses for conducting recreational, cultural, or other related programs for the benefit of the Owners and their families, tenants, guests and invitees;
- (ix) such other expenses as may be determined from time to time by the Board of Directors of the Association to be Common Expenses, including, without limitation, taxes and governmental charges not separately assessed against Lots or Dwellings; and
- (x) the establishment and maintenance of a reasonable reserve fund or funds
 - (A) for inspections, maintenance, repair, and replacement of those portions of the Common Areas which are the responsibility of the Association and which must be inspected, maintained, repaired, or replaced on a periodic basis,
 - (B) to cover emergencies and repairs required as a result of casualties which are not funded by insurance proceeds, and
 - (C) to cover unforeseen operating contingencies or deficiencies arising from unpaid assessments or liens, as well as from emergency expenditures and other matters, all as may be authorized from time to time by the Board of Directors.

9.04 Special and Gatehouse Assessments

- (a) Special Assessments. In addition to the annual assessments authorized above, the Association, acting through its Board of Directors, may levy, in any assessment year, special assessments for Common Expenses, applicable to that year only, provided that except as otherwise permitted in Sections 6.02 and 7.01 hereof, any such assessment shall be approved by
 - (i) Declarant, for so long as Declarant owns any Lot or Dwelling primarily for the purpose of sale, and

- (ii) by a majority of the votes of the Owners who are voting in person or by proxy at a meeting duly called for this purpose in accordance with the provisions of Section 9.06 hereof.

The Board of Directors may take such special assessments payable in installments over a period which may, in the Board's discretion, extend in excess of the fiscal year in which adopted. Such special assessments are to be pro-rated among the Lots and Dwellings equally as provided with respect to annual assessments.

- (b) Gatehouse Assessment. There Is hereby created an assessment, mortgage, lien and encumbrance upon each developed Lot within the Development in the sum of Three Hundred and No/100 (\$300.00) Dollars per developed Lot (Gatehouse Assessment). The Gatehouse Assessment shall be due and payable in full upon sale of the developed Lot from Declarant. The Gatehouse Assessment that is collected upon the first sale from Declarant is payable to Premier Bank, N.A., its successors or assigns and shall be applied to the mortgage indebtedness in the sum of Three Hundred and No/100 (\$300.00) Dollars per developed Lot evidenced by a promissory note and mortgage executed on the 22nd day of November 1988 before James G. Coate, Jr. Notary Public and recorded in the mortgage records of St. Tammany Parish, Louisiana. Each transfer after the first transfer from Declarant shall have a Gatehouse Assessment of \$300.00 per Lot payable to the Association. These funds shall be used for the upkeep of the grounds as well as maintenance and improvements of the Gatehouse.

9.05 Individual Assessments Any expenses of the Association occasioned by the conduct of less than all of the Owners or by the family, tenants, agents, guests or invitees of any Owner shall be specially assessed against such Owners and their respective Lots or Dwellings. The Individual assessments provided for in this Section 9.05 shall be levied by the Board of Directors and the amount and due date of such assessment so levied by the Board shall be as specified by the Board.

9.06 Notice of Meeting and Quorum Written notice of the annual meeting of the Association, as well as any other meeting called for the purpose of taking any action authorized under Section 9.03 and 9.04 hereof, shall be sent to all members not less than fifteen (15) days nor more than forty-five (45) days in advance of such meetings. With respect to annual meetings, the presence of members or proxies entitled to cast over fifty (50%) per cent of all the votes of the Association shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be the presence in person or by proxy of members having

one-third (1/3) of the total votes of the Association. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

9.07 Liens All sums assessed against any Lot or Dwelling pursuant to this Declaration, together with court costs, reasonable attorneys' fees, late charges, and interest as provided herein, shall be a real obligation and lien on such Lot or Dwelling in favor of the Association.

9.08 Effect of Non-Payment; Remedies of the Association

Any assessments of an Owner or any portions thereof which are not paid when due shall be delinquent. Once any assessment or any portion thereof has become delinquent, the Association may file a notice of same in the records of the Clerk of Court for St. Tammany Parish, Louisiana. Any assessment delinquent for a period of more than ten (10) days after the date when due shall incur a late charge in an amount as may be determined by the Board from time to time and shall also commence to accrue simple interest at the rate of twelve (12%) per cent per annum. A real obligation and lien as herein provided for such assessment shall attach simultaneously as the same shall become due and payable, and if an assessment has not been paid within thirty (30) days, the entire unpaid balance of the assessment may be accelerated at the option of the Board and be declared due and payable in full. The real obligation and lien of such assessment shall include the late charge established by the Board of Directors, interest on the principal amount due at the rate of twelve (12%) per cent per annum, all costs of collection (including reasonable attorneys' fees and court costs), and any other amounts provided or permitted hereunder or by law. In the event that the assessment remains unpaid after sixty (60) days from the original due date, the Association may, as the Board shall determine, institute suit to collect such amounts and to foreclose its lien. The real obligation and lien provided for in this Article shall be in favor of the Association, and by acceptance of title to a Lot or Dwelling, each Owner vests in the Association and its agents the right and power to bring all actions against him personally for the collection of such assessments as a debt and/or to foreclose the aforesaid lien in the same manner as other liens for the improvement of immovable property. The Association shall have the power to bid on the Lot or Dwelling at any foreclosure sale and to acquire, hold, lease, mortgage and convey the same. No Owner may waive or otherwise escape liability for the assessment provided for herein, including by way of illustration but not limitation, non-use of the Common Areas or abandonment of his Lot or Dwelling, and an Owner shall remain personally liable for assessments, interest, and late charges which accrue prior to a sale, transfer, or other conveyance of his Lot or Dwelling.

9.09 Certificate The treasurer, any assistant treasurer, or the manager of the Association shall, within ten (10) days of a written request and upon payment thereto of such fee as is from time to time determined by the Board of Directors, furnish to any Owner of such Owner's Mortgage which requests the same, a certificate in writing signed by such Treasurer, Assistant Treasurer, or manager setting forth whether the assessments for which such Owner is responsible have been paid, and, if not paid, the outstanding amount due and owing, together with all fines,

accrued interest, and other penalty charges. Such certificate shall be conclusive evidence against all but such Owner of payment of any assessments stated therein to have been paid.

9.10 Date of Commencement of Annual Assessments The initial annual assessment of \$500.00 per year per Lot or Dwelling shall be payable to the Association when such Lot or Dwelling is conveyed from Declarant to a new Owner. Upon receipt of payment of the initial annual assessment, Declarant will issue a Certificate of Membership to Owner. Thereafter, the annual assessments shall be due and payable in such manner and on such schedule as the Board of Directors may provide. Annual assessments and any outstanding special or assessments shall be adjusted for such Lot or Dwelling according to the number of months then remaining in the then fiscal year of the Association and the number of days then remaining in the month in which such Lot or Dwelling is conveyed. Anything contained herein to the contrary notwithstanding, Declarant shall not be responsible for the payment of annual, special or Gatehouse assessments on Lots or Dwellings, which it or its affiliates own and which do not contain occupied residences (except as hereinafter provided), provided that Declarant covenants and agrees to pay annual and special assessments for each Lot and Dwelling owned by Declarant or an affiliate and containing occupied residences. Furthermore, Declarant shall have the option to either pay annual assessments on Lots owned by Declarant or fund any deficit which may exist between assessments and the annual budget of the Association for so long as Declarant has the authority hereunder to appoint and remove directors of the Association, provided however, that the budget, assessments, and deficit, if any, shall be annually reviewed by Declarant, and the Board of Directors, and during such period Declarant's obligation for funding deficits shall only be up to the amount of the Association's budget. Provide that upon Declarant no longer having authority to appoint Directors or officers of the Association, Declarant shall be obligated to pay assessments on all Lots or Dwellings owned by Declarant but only after written notice sent by means of Certified Mail, U. S. Postage prepaid, is received.

ARTICLE X

Architectural Standards and Use Restrictions

10.01 Purpose In order to preserve the natural setting and beauty of the Development, to establish and preserve harmonious and aesthetically pleasing design for the Development and to protect and promote the value of the property, the Lots, Dwellings, and all improvements located therein or thereon shall be subject to the restrictions set forth in this Article X. Every Owner by acceptance of title to his Lot or Dwelling agrees to be bound by the provisions of this Article X.

10.02 Architectural Review Committee The interim Architectural Review Committee shall consist of one member appointed by Declarant until such time as the Architecture Review Committee of three (3) members is appointed. The interim Architectural Review Committee consisting of one member shall have any and all

rights, powers and duties as specified under Article X. The Board of Directors shall establish the Architectural Review Committee which shall consist of three (3) members, all of whom shall be Owners and who may or may not be members of the Board of Directors, provided that prior to the termination of Declarant's right to appoint and remove officers and directors of the Association, such members shall not be required to be Owners. The regular term of office for each member shall be one (1) year, coinciding with the fiscal year in the Association. Any member appointed by the Board may be removed with or without cause by the Board at any time by written notice to such appointee, and a successor or successors appointed to fill such vacancy shall serve the remainder of the term of the former member. Notwithstanding the foregoing to the contrary any member appointed to the Architectural Review Committee by the Board shall be subject to the prior approval of Declarant until that date which is two (2) years from and after the date on which Declarant's right to appoint and remove officers and directors of the Association is terminated. The Architectural Review Committee shall elect a chairman and he, or in his absence, the vice-chairman, shall be the presiding officer at its meetings. The Architectural Review Committee shall meet at least once every second month, as well as upon call of the chairman, and all meetings shall be held at such places as may be designated by the chairman. Two (2) members shall constitute a quorum for the transaction of business, and the affirmative vote of a majority of those present in person or a proxy at a meeting of the Architectural Review Committee shall constitute the action of the Architectural Review Committee on any matter before it. The Architectural Review Committee is authorized to retain the services of consulting architects, landscape architects, urban designers, engineers, inspectors, and/or attorneys in order to advise and assist the Architectural Review Committee in performing its functions set forth herein. Each member of the Architectural Review Committee may be paid a stipend or honorarium from time to time determined and approved by the Board.

10.03 Permitted Improvements, Submittals

- (a) No improvements of any nature whatsoever shall be constructed, altered, added to, or maintained upon a part of the Property, including the alteration of the lot and street layout as described on the Plat, except
 - (i) such improvements and alterations as are approved by the Architectural Review Committee in accordance with this Article X, or
 - (ii) improvements which pursuant to this Article X do not require the consent of the Architectural Review Committee.
- (b) The Architectural Review Committee is hereby authorized to promulgate from time to time written requirements governing the contents of submissions of plans and specifications and other information including, but not limited to, nature, color, type, shape, height, materials and location of the proposed improvements to evidence compliance with and obtain approval

pursuant to Sections 10.05, 10.06, and 10.08 hereof (“Required Submittals”).

10.04 Construction of Improvements

- (a) All buildings, structures, or other improvements (except sidewalks and driveways) on or with respect to any Lot or Dwelling shall be located only within the set-back lines specified on the Subdivision Plat, provided that the Architectural Review Committee shall be empowered to grant variances with respect to such set-back lines.
- (b) No construction or improvements on any Lots or Dwellings shall be undertaken or conducted on any Sunday, except for
 - (i) construction activities of Declarant,
 - (ii) emergency situations involving the potential loss, injury, or damage to person or property, and
 - (iii) as otherwise permitted by the Architectural Review Committee.
- (c) The exterior of any improvement permitted by this Declaration shall be completed within one (1) year after the construction of same and shall have been authorized by the Architectural Review Committee.
- (d) Dwellings may not be temporarily or permanently occupied until the exteriors thereof and landscaping therefor have been completed. No temporary house, shack, tent, barn, other outbuilding or construction trailer shall be permitted on any Lot or Dwelling at my time, except as provided in Section 10.20 hereof and except for temporary structures for social functions as may be permitted by rules and regulations promulgated by the Board, nor shall any stable (except as provided in Section 10.16 hereof), poultry house or yard rabbit hut, or other similar yard structure be constructed or allowed to remain on any Lot or Dwelling. During the continuance of construction by Owner, such Owner shall require its contractors to maintain the Lot or Dwelling in a reasonably clean and uncluttered condition and, to the extent possible, all construction trash and debris shall be kept within refuse containers. Upon completion of construction such Owner shall cause its contractors to immediately remove all equipment, tools, and construction material and debris from the Lot or Dwelling on which such construction has been completed; and shall provide portable bathroom facilities for all workers until permanent ones have been constructed within the Dwelling.
- (e) Except for those rights reserved to Declarant in Article II, Plan of Development and Article III Property Rights hereof, any proposed reconfiguration of Lots, streets and conservancy areas,

or any change in zoning, shall first be approved by the Architectural Review Committee.

10.05 Architectural Approval

- (a) To preserve the architectural and aesthetic appearance of the Development and all improvements therein, the Architectural Review Committee shall adopt promulgate written and graphic design guidelines (the "Design Guidelines") which would achieve harmony with exterior design, location and appearance in relationship to surrounding structures and topography. The Design Guidelines shall be maintained in the office of Declarant and of the Association and shall be available to all Owners. In addition, the Architectural Review Committee is authorized to promulgate from time to time as part of the Design Guidelines described in 10.05(a) hereof additional architectural standards and guidelines applicable to the Development, including, without limitation, restrictions relating to height of improvements above grade, roof pitch, and minimum square footage of Living Space in each Dwelling.
- (b) No construction of improvements of any nature whatsoever shall be commenced or maintained by any Owner, other than Declarant, with respect to the construction or affecting the exterior appearance of any Dwelling or with respect to any other portion of the Property, including, without limitation, the construction or installation of sidewalks, driveways, parking lots, decks, patios, courtyards, swimming pools, tennis courts, greenhouses, playhouses, flagpoles, basketball backboards, dog runs and houses, awnings, walls, fences, exterior lights, garages, guest or servants' quarters, or other outbuildings, nor shall any exterior addition to or change or alteration therein be made (including, without limitation, painting or staining or any exterior surface), nor shall any off-site improvements, such as streets, drainage and sewerage and water systems, be constructed unless and until the Required Submittals shall have been submitted to and approved in writing by the Architectural Review Committee. One copy of such plans, specifications, and related data so submitted shall be retained in the records of the Architectural Review Committee, and the other copy shall be returned to the Owner marked "approved," "approved as noted," or "disapproved." The Architectural Review Committee shall establish a fee sufficient to cover the expenses of reviewing plans and related data and to compensate any consulting architects, landscape architects, urban designers, inspectors, or attorneys retained in accordance with the terms hereof. The fee initially established for such review shall be One Hundred and No/100 (\$100.00) Dollars, and the

Architectural Review Committee shall have the right to increase this amount from time to time. Notwithstanding the foregoing, an Owner may make interior improvements and alterations within his Dwelling that do not affect the exterior appearance without the necessity of approval or review by the Architectural Review Committee.

- (c) The Owner shall pay a damage deposit of Three Hundred and No/100 (\$300.00) Dollars for streets, Common Areas and any other portion of the Development, which may be subject to activity as a result of construction of a Dwelling. The amount of the damage deposit may be changed from time to time by the Architectural Review Committee or as provided otherwise. The Architectural Review Committee shall refund the deposit only upon completion of the Dwelling and only if the streets, Common Areas or other portion of the Development have not been damaged during the course of construction. In the event that streets, Common Areas or any other portion of the Development have been damaged during the course of construction then the deposit shall be forfeited in full to the Association for use in making the necessary repairs.
- (d) Each Owner may be required to create and maintain a drainage way within and immediately adjacent to the interior side or rear lines of his Lot in order to provide and as deemed necessary for drainage as determined by the Architectural Review Committee.
- (e) The Architectural Review Committee shall have the sole discretion to determine whether plans and specifications submitted for approval are acceptable to the Association provided, however, such discretion shall be exercised to give effect to the Design Guidelines. In connection with approval rights and to prevent excessive drainage of surface water run-off, the Architectural Review Committee shall have the right to establish a maximum percentage of a Lot which may be covered by Dwellings, building, structures, or other improvements, which standards shall be promulgated on the basis of topography, percolation rate of the soil, soil types and conditions, vegetation cover, and other environmental factors. Following approval of any plans and specifications by the Architectural Review Committee, representatives of the Architectural Review Committee shall have the right during reasonable hours to enter upon and inspect any Lot or Dwelling or other improvements with respect to which construction is underway to determine whether or not the plans and specifications therefor have been approved and are being complied with. In the event that the Architectural Review Committee shall determine that such plans and specifications have not been approved or are not being complied with, the

Architectural Review Committee shall be entitled to enjoin further construction and to require the removal or correction of any work in place which does not comply with approved plans and specifications. In the event the Architectural Review Committee fails to approve, approve as noted, or disapprove in writing any proposed plans and specifications within thirty (30) days after such plans and specifications shall have been submitted, such plans and specifications will be deemed to have been expressly approved, provided the proposed improvements are generally in harmony with the scheme of the Development as set forth in this Declaration. Upon approval of plans and specifications, no further approval under this Article X shall be required with respect thereto, unless such construction has not substantially commenced within six (6) months of the approval of such plans and specifications (e.g. clearing and grading, pouring of footings, etc.) or unless such plans and specifications are materially altered or changed. Refusal of approval of plans and specifications may be based by the Architectural Review Committee upon any ground which is consistent with the object and purposes of this Declaration and with the Design Guidelines, including aesthetic considerations, so long as such grounds are not arbitrary or capricious.

- (f) No mailboxes shall be installed on any Lot, until specifically authorized by Declarant, and the Board of Directors, and then only in conformity with the design approved by said Board.
- (g) Each Lot shall have a gas light fixture on a post in the front yard in conformity with the design, height, and location approved by the Architectural Review Committee. Declarant shall provide the gas light fixture before the completion of construction.

10.06 Landscaping Approval

- (a) To preserve the aesthetic appearance of the Development, no landscaping, grading, excavation, or filling of any nature whatsoever shall be implemented and installed by any Owner other than Declarant, unless and until the plans therefor have been submitted to and approved in writing by the Architectural Review Committee. A significant portion of each construction budget shall be devoted to landscaping.
- (b) The provisions of Section 10.05 hereof regarding time for approval of plans, right to inspect, right to enjoin and/or require removal, etc. shall also be applicable to any proposed landscaping, clearing, applicable to any proposed landscaping, clearing grading, excavation, or filling. Such plans shall conform to the Design Guidelines and shall include calculation of the ratio of the area to be covered by grass lawns versus the area to be left in a natural state, and the Architectural Review

Committee shall be entitled to promulgate standards with respect to such ratios. No hedge or shrubbery planting shall be placed or permitted to remain on any Lot or Dwelling where such hedge, shrubbery, or tree interferes with traffic sight-lines, including sight-lines at the intersection of a driveway and a road or street in the Development. The same sight-line limitations shall apply to any Lot or Dwelling within ten (10') feet from the intersection of a street property line with the edge of a driveway. No trees shall be permitted to remain within such distances of such intersection unless the foliage line is maintained at sufficient height to prevent obstruction of such sight-lines unless located within ten (10') feet of a building, no Owner other than Declarant shall be entitled to cut remove, or mutilate any trees, shrubs, bushes, or other vegetation having a trunk diameter of six (6') inch or more at a point of four (4') feet about ground level, without obtaining the prior approval of the Architectural Review Committee, provided that the dead or diseased trees which are inspected and certified as dead or diseased by the Architectural Review Committee or its representatives, as well as other dead or diseased shrubs, bushes, or other vegetation, shall be cut and removed promptly from any Lot or Dwelling by the Owner of such Lot or Dwelling. The Architectural Review Committee reserves the right to require the installation and maintenance of underground irrigation systems in proper working order when water table, tro count, and other relevant factors are considered. All of the landscaping of Lots and Dwellings must be completed prior to occupancy or substantial completion to the Dwelling, whichever date shall first occur.

10.07 Approval Not a Guarantee No approval of plans and specifications and no publication of Design Guidelines or the architectural standards shall be construed as representing or implying that such plans, specifications, or standards will, if followed, result in properly designed improvements. Such approvals and standards shall in no event be construed as representing or guaranteeing that any Dwelling or other improvement built in accordance therewith will be built in a good and workmanlike manner. Neither Declarant, the Association, nor the Architectural Review Committee shall be responsible or liable for any defects in any plans or specifications submitted, revised, or approved pursuant to the term of this Article X, any loss or damage to any person arising out of the approval or disapproval of any plans or specifications, any loss or damage arising from the noncompliance of such plans and specifications with any governmental ordinances and regulations, nor any defects in construction undertaken pursuant to such plan and specifications.

10.08 Building Restrictions First floor elevations shall conform at least to the minimum height established pursuant the Parish Flood Control Ordinance and any regulations promulgated by the authority having control thereover. FEMA mail shall be kept in the office of the Association for ready review during regular business hours. The roof pitch of each Dwelling shall be a ratio greater than four and one-half over twelve. To assure that Dwellings and other structures will be located and that the maximum view, privacy, and breeze will be available to each Dwelling or structure, Dwellings and structures shall be located with regard to the topography of each Lot or Dwelling taking into consideration the location of trees and vegetation and other aesthetic and environmental considerations, as well as the precise site and location of any other Dwellings or structure within the Development. All residential structures constructed on a Lot shall be designed and constructed in compliance with the requirements of the Southern Building Code and other applicable codes.

10.09 Service Yards Each Owner of a Lot or Dwelling shall provide visually-screened areas to serve as service yards in which garbage, receptacles, fuel tanks, wood piles, gas and electric meters, air conditioning equipment, materials, supplies, and equipment which are stored outside by Owners must be placed or stored in order to conceal them from view from roads and adjacent properties. Any such visual barrier shall be at least six (6') feet high and may consist of either fencing or landscaping and planting which is approved by the Architectural Review Committee in accordance with the terms of this Article X.

10.10 Use of Lots and Dwellings Except as permitted by Sections 3.10 and 10.20 hereof, and except as any parcel may be specifically restricted otherwise by this Declaration or any amendment or supplement thereto with respect to the Development, each Lot and Dwelling shall be used for residential purpose only and no trade or business of any kind may be carried on therein. The use of a portion of a Dwelling as an office by a Owner or his tenant shall not be considered to be a violation of this covenant if such use does not create regular customer client, or employee traffic, provided that in no event shall a Lot or Dwelling be used as a storage area for any building contractor or real estate developer. Lease or rental of Dwelling for residential purposes shall also not be considered to be a violation of this covenant so long as the lease

- (i) is for not less than the entire Dwelling and all of the improvements thereon,
- (ii) is for a term of at least six (6) months, and
- (iii) is otherwise in compliance with rules and regulation as may be promulgated and published from time to time by the Board of Directors.

All leases shall be required to be in writing, and, prior to the commencement of any such lease, the Owner shall provide the Secretary of the Association and the managing agent of the Association, if any, with copies of such lease. Any lessee or tenant shall in all respects be subject to the terms and conditions of this Declaration and the rules and regulations adopted hereunder. Notwithstanding any provision in this Section 10.10 to the contrary, Declarant, its successors or assigns, if the right is so transferred

by Declarant, shall have the perpetual right to designate in writing to the Association from time to time Dwellings which may be leased for such period of time as Declarant shall determine, including, daily and weekly rentals and for those Dwellings, Declarant or the Owner shall not be required to supply copies of the leases therefor to the Association.

10.11 Exterior Appearance No chain-link fences shall be permitted within the Development, except with regard to old runs within a lot and those fences erected by Declarant. No foil or other reflective materials should be used on any window for sunscreens, blinds, shades, or other purpose, nor shall any window-mounted heating or air-conditioning units be permitted. Except within screened service yards, outside clotheslines or other outside facilities for drying or airing clothes are specifically prohibited and shall not be erected, placed, maintained, nor shall any clothing, rugs, or other items be hung on any railing, fence, hedge, or wall. When not in use, all garage doors shall be kept closed. No projections of any type shall be placed or permitted to remain above the roof of any improvements except approved chimneys or vent stacks.

10.12 Signs Except as may be required by legal proceedings, no signs or advertising posters of any kind shall be maintained or permitted within any windows, on any Lot, to exterior of any improvements located within the Development, or elsewhere on any portion of the Property, without the expressed written permission of the Architectural Review Committee. Notwithstanding the foregoing, the restrictions of the Section 10.12 shall not apply to Declarant. In addition, the Board of Directors, behalf of the Association, shall have the right to erect reasonable and appropriate signs on any portion of the Common Areas and within those servitude areas established in Section 3.08 hereof.

10.13 Antennas No television antenna, satellite dish, radio receiver, or other similar device shall be attached to or installed on any portion of the Development unless contained entirely within the interior of a building or other structure. No radio or television signals or any other form of electromagnetic radiation shall be permitted to originate from any Lot or Dwelling which may unreasonably interfere with the reception of television or radio signals within the Development; provided, however, that Declarant and the Association shall not be prohibited from installing equipment necessary for master antenna, security, cable television, mobile radio, or other similar systems within the Development, and should cable television services be unavailable and adequate television reception not be otherwise available, then an Owner may make written application to the Architectural Review Committee for permission to install a television antenna to be located on the exterior of the Dwelling.

10.14 Security Systems, Confidentiality Declarant or the Association shall install a central security system within the Development, with the capability of providing security services to each Dwelling within the Development and for the purpose of controlling access to the Subdivision. Each Owner, at his expense, shall

install or maintain a security system within his Dwelling which is compatible with and connected to such central security system and which system has been previously approved by the Architectural Review Committee. Said security system shall operate on a local alarm basis and, with adaptation, shall be monitored by a central station home-monitoring system. All information obtained through the security system and computer monitoring system shall be privileged and not available except to authorized law enforcement officials. The Board of Directors may, for good cause and upon written request of all affected Owners, release such information to an Owner or other third party.

10.15 Water Wells and Septic Tanks Except those water wells solely for irrigation and heat pumps, no private water wells may be drilled or maintained and no septic tanks or similar sewerage facilities may be installed or maintained on any Lot or Dwelling.

10.16 Pets No animals, livestock, birds, or poultry of any kind shall be raised, bred, or kept by any Owner upon any portion of the Development, provided that up to two (2) generally recognized house pets may be kept in Dwellings, subject to rules and regulations adopted by the Association, through its Board of Directors, and further provided that such pet or pets are kept or maintained solely as domestic pets and not for any commercial purpose. No pet shall be allowed to make an unreasonable amount of noise or to become a nuisance. No structure for the care, housing, or confinement of any pet shall be constructed or maintained on any part of the Common Areas. Pets shall be under leash at all times when walked or exercised in any portion of the Common Areas, and no pet shall be permitted to leave its excrement on any portion of the Common Areas, and the Owner of such pet shall immediately remove the same. Upon the written request of any Owner, the Board of Directors may conclusively determine, in its sole and absolute discretion, whether for purposes of this Section 10.16, a particular pet is a generally recognized house pet or such pet is a nuisance, and the Board shall have the right to require the Owner of a particular pet to remove such pet from the Development if such pet is found to be a nuisance or to be in violation of these restrictions. The Board of Directors shall have the further rights, subject to Section 11.03 hereof, to fine any Owner (in an amount not to exceed \$150.00 per violation) for the violation of these pet restrictions by such Owner or an occupant of his Lot or Dwelling, and an Owner shall be liable to the Association for the cost of repair of any damage to the Common Areas caused by the pet of such Owner or of an occupant of such Owner's Lot or Dwelling. Any such fine or cost of repair shall be added to and become a part of that portion of any assessment next coming due to which such Lot or Dwelling and its Owner are subject.

10.17 Nuisance No rubbish or debris of any kind shall be dumped, placed, burned, or permitted to accumulate upon any portion of the Development, nor shall any nuisance or odors be permitted to exist or operate upon or arise from the Development, so as to render any portion thereof unsanitary, unsightly, offensive, or detrimental to persons using or occupying any other portions of the Development. Noxious or offensive activities shall not be carried on in any Lot, Dwelling or in any

part of the Common Areas, and each Owner, his family, tenants, guests, invitees, servants, and agents shall refrain from any act or use of a Lot, Dwelling or of the Common Areas which could cause disorderly, unsightly, or unkempt conditions, or which could cause embarrassment, discomfort, annoyance, or nuisance to the occupants of other portions of the Development or which could result in a cancellation of any insurance for any portion of the Development, or which would be in violation of any law or governmental code or regulation. Without limiting the generality of the foregoing provisions, no exterior speakers, horns, whistles, bells, or other sound devices, except security systems and fire alarm devices used exclusively for such purposes, shall be located, used, or placed within the Development. Any Owner, or his family, tenants, guests, invitees, servants, or agents, who dumps or places any trash or debris upon any portion of the Development not authorized in accordance with the rules and procedures for regular trash pick up, shall be liable to the Association for the actual cost of removal thereof or the sum of \$150.00, whichever is greater, and any sum shall be added to and become a part of any assessment next becoming due to which such Owner and his Lot or Dwelling are subject.

10.18 Motor Vehicles, Trailers, Boats, Boat Docks, Etc. Each Owner shall provide for parking of automobiles in enclosed garages equipped with garage doors prior to occupancy of the Dwelling owned or maintained by such Owner. All automobiles owned and used by Owners or Occupants other than temporary guests and visitors shall, as far as possible, be parked in garages. The Board of Directors of the Association shall have authority to promulgate rules and regulations to govern or prohibit the outside storage or parking upon any Lot or Dwelling or within any portion of the Common Areas (other than areas provided therefor within the Common Areas, if any) of any mobile home, trailer (either with or without wheels), motor home, tractor, truck (other than pickup trucks), commercial vehicles of any type, camper, motorized camper or trailer, boat or other watercraft, boat trailer, motorcycle, motorized bicycle, motorized go-cart, or any other related forms of transportation devices. Furthermore, although not expressly prohibited hereby, the Board of Directors may at any time prohibit motor homes, campers, trailers of any kind, motorcycles, motorized bicycles, motorized go-carts, all terrain vehicles (ATV's and ATC's), and other similar vehicles, or any of them, from being kept, placed, stored, maintained, or operated upon any portion of the Development if in the opinion of Board of Directors such prohibition shall be in the best interests of the Development. No Owners or other occupants of any portion of the Development shall repair or restore any vehicle of any kind upon or within any Lot, Dwelling or within any portion of the Common Areas, except

- (i) within enclosed garages or workshops or
- (ii) for emergency repairs, and then only to the extent necessary to enable the movement thereof to a proper repair facility.

No mobile homes or private boat docks shall be located or constructed within the Development. The prohibitions herein contained shall not apply to Declarant or the Association and, in particular, the construction of Common Area recreational improvements.

10.19 Sales and Construction Activities Notwithstanding any provisions or restrictions contained in this Declaration to the contrary, it shall be expressly permissible for Declarant, its agents, employees, successors and assigns to maintain and carry on such facilities and activities as may be reasonably required, convenient, or incidental to the completion, improvement, and sale of Lots and/or Dwellings or the developing of Lots, Dwellings, or Common Areas, including, without limitation, the installation and operation of sales offices within the Gatehouse or elsewhere in the Development, signs and model Dwellings, all as may be approved by Declarant from time to time, provided that the location of any construction trailers of any assignees of Declarant's rights under this Section 10.19 shall be subject to Declarant's approval. The right to maintain and carry on such facilities and activities shall include specifically the right to use Dwellings as model residences, and to use any Dwelling as an office for the sale of Lots and/or Dwellings and for related activities.

10.20 Time Sharing No Lots or Dwellings may be sold under any time sharing, time-interval, or similar right-to-use programs.

10.21 Tennis Courts and Swimming Pools Each tennis court and/or swimming pool shall be located where the lighting thereof shall be designed to prevent the intrusion of such lighting onto adjacent Lots or Dwellings. All tennis court and overhead swimming pool lights shall be extinguished no later than 10:30 P.M.

ARTICLE XI

Rule Making

11.01 Rules and Regulations

- (a) Subject to the provisions hereof, the Board of Directors may establish reasonable rules and regulations concerning the use of Lots, Dwellings and the Common Areas and facilities located thereon. In particular, but without limitation, the Board of Directors may promulgate from time to time rules and regulations which shall govern activities which may, in the judgment of the Board of Directors, be environmentally hazardous, such as application of fertilizers, pesticides, and other chemicals. Copies of such rules and regulations and amendments thereto shall be furnished by the Association to all Owners prior to the effective date of such rules and regulations and amendments thereto. Such rules and regulations and amendments thereto shall be binding upon the Owners, their families, tenants, guests, invitees, servants, and agents, until and unless any such rule or regulation be specifically overruled, canceled, or modified by the Board of Directors or in a regular or special meeting of the Association by the vote of the Owners, in person or by proxy, holding majority of the total votes in the

Association, provided that in the event of such vote, such action must also be approved by Declarant, for so long as Declarant owns any Lot or Dwelling primarily for the purpose of sale.

- (b) All vehicular traffic on the private streets and roads in the Development shall be subject to the provisions of the laws of the State of Louisiana and St. Tammany Parish concerning operation of motor vehicles on public streets. The Association is hereby authorized to promulgate, administer, and enforce reasonable rules and regulations governing vehicular and pedestrian traffic, including reasonable safety measures and speed limits. The Association shall be entitled to enforce same by establishing such enforcement procedures as it deems appropriate, including levying fines for the violation thereof. Only drivers licensed to operate motor vehicles by the State of Louisiana or by any other state in the United States may operate any type of motor vehicles, including golf carts, within the Development. All vehicles of any kind and nature shall be operated in a careful, prudent, safe and quiet manner and with due consideration for the rights of all residents of the Development.

11.02 Authority and Enforcement Subject to the provisions of Section 11.03 hereof, upon the violation of this Declaration, the By-Laws or any rules and regulations duly adopted hereunder, including, without limitation, the violation of traffic regulations promulgated by the Board, the failure to timely pay any assessments, the Board shall have the power

- (i) to impose reasonable monetary fines which shall constitute a real obligation and lien upon the Lot or Dwelling, the Owners or Occupants of which are guilty of such violation,
- (ii) to suspend an Owner's right to vote in the Association, or
- (iii) to suspend an Owner's right (and the right of such Owner's family, guests and tenants and of the co-owner's of such Owner and their respective families, guests and tenants) to use any of the recreational facilities located in the Common Areas,

and the Board shall have the power to impose all or any combination of these sanctions. An Owner shall be subject to the foregoing sanctions in the event of such a violation by such Owner, his family, guests, or tenants or by his co-owners or the family, guests, or tenants of his co-owners. Any such suspension of rights may be for the duration of the infraction and for any additional period thereafter, not to exceed thirty (30) days.

11.03 Procedure Except with respect to the failure of an Owner to pay assessments, the Board shall not impose a fine, suspend voting rights, or infringe upon or suspend any other rights of an Owner or other occupant of the Development for violations of the Declaration, By-Laws, or any rules and regulations of the Association, unless and until the following procedure is followed:

- (a) Written demand to cease and desist from an alleged violation shall be made upon the Owner responsible for such violation specifying:
 - (i) the alleged violation;
 - (ii) the actions required to abate the violation; and
 - (iii) a time period of not less than ten (10) days during which the violation may be abated without further sanction, if such violation is a continuing one, a statement that any further violation of the same provision of this Declaration, the By-Laws, or of the rules and regulations of the Association may result in the imposition of sanctions after notice and hearing.
- (b) Within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty, or if the same violation subsequently occurs, the Board may serve such Owner with written notice of a hearing to be held by the Board in executive session. The notice shall contain:
 - (i) the nature of the alleged violation;
 - (ii) the time and place of the hearing, which time shall be not less than ten (10) days from the giving of the notice;
 - (iii) an invitation to attend the hearing and produce any statement, evidence and witnesses on his behalf; and
 - (iv) the proposed sanction to be imposed.
- (c) The hearing shall be held in executive session of the Board of Directors pursuant to the notice and shall afford the alleged violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice together with a statement of the date and manner of delivery is entered by the officer, director, or other individual who delivered such notice. In addition, the notice requirement shall be deemed satisfied if an alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction imposed, if any.

ARTICLE XI I

General Provisions

12.01 Control by Declarant Notwithstanding any other language or provision to the contrary in this Declaration, in the Articles of Incorporation, or in the By-Laws of the Association, Declarant hereby retains the right to appoint and remove any member or members of the Board of Directors of the Association and any officer or officers of the Association as provided by and for the term set forth in section 8.01 hereof. Every Owner in the Development, by acceptance of title to his Lot or Dwelling agrees that Declarant shall have the authority to appoint and remove directors and officers of the Association in accordance with the foregoing provisions of this Section 12.01 and the provisions of Section 8.01. Upon the expiration of the period of Declarant's right to appoint and remove directors and officers of the Association pursuant to the provisions of Section 8.01 and this Section 12.01, such right shall pass to the Owners including Declarant if the Declarant then owns one or more Lots or Dwellings, and a special meeting of the Association shall be called within a reasonable time thereafter. At such special meeting, the Owners shall elect a new Board of Directors which shall undertake the responsibilities of the Board of Directors and Declarant shall deliver all books, accounts and records, if any, which Declarant has kept on behalf of the Association and any agreements or contracts executed by or on behalf of the Association during such period and which Declarant has in its possession.

12.02 Amendments by Declarant During any period in which Declarant retains the right to appoint and remove any director and officers of the Association, Declarant may amend this Declaration by an instrument in writing filed and recorded in the records of the Office of the Clerk of Court in St. Tammany Parish, Louisiana, without the approval of any Owner or Mortgagee; provided, however, that,

- (i) in the event that such amendment materially alters or changes any Owner's right to the use and enjoyment of his Lot, Dwelling, or the Common Areas as set forth in this Declaration or adversely affects the title to Lot or Dwelling, such amendment shall be valid only upon written consent thereto by a majority in number of the then existing Owners affected thereby, or
- (ii) in the event that such amendment would materially and adversely affect the security interest of a, Mortgagee, such amendment shall be valid only upon the written consent thereto of all such Mortgagees is affected. Any amendment made pursuant to this Section 12.02 shall be certified by Declarant as having been duly approved by Declarant, and by such Owner and Mortgagees if required, and shall be effective only upon recordation or at such later date as shall be specified in the amendment itself. Each Owner, by acceptance of a deed or other

conveyance to a Lot or Dwelling, agrees to be bound by such amendments as are permitted by this Section 12.02, and further agrees that, if requested to do so by Declarant, such Owner will consent to the amendment of this Declaration or any other instruments relating to the Development if such amendment is necessary to bring any provision hereof or thereof into compliance or conformity with the provisions of any applicable governmental statute, rule or regulation or any judicial determination which shall be in conflict therewith.

12.03 Amendments by Association Amendments to this Declaration, other than those authorized by other Sections hereof, shall be proposed and adopted in the following manner:

- (a) Notice of the subject matter of the proposed amendment shall be included in the notice of the meeting of the Association at which such proposed amendment is to be considered and shall be delivered to each member of the Association.
- (b) At such meeting, a resolution adopting a proposed amendment may be proposed by either the Board of Directors or by members of the Association, such amendment must be approved by 2/3 of the Owners within the Development; provided, however,
 - (i) that any amendment which materially and adversely affects the security interest of any Mortgagee must be approved by such Mortgagee, and
 - (ii) during any period in which Declarant owns a Lot or Dwelling primarily for the purpose of sale, such amendment must be approved by Declarant.
- (c) The agreement of the required percentage of the Owners and, where required, Declarant and any Mortgagee, to any amendment of this Declaration shall be evidenced by their execution of such amendment, or, in the alternative, the sworn statement shall state unequivocally that the agreement of the required parties was lawfully obtained. Any such amendment of this Declaration shall become effective only when recorded or at such later date as may be specified in the amendment itself.

12.04 Enforcement Each Owner shall comply strictly with the By-Laws and the published rules and regulations of the Association adopted pursuant to this Declaration, as either of the same may be lawfully amended from time to time, and the covenants, conditions, and restrictions set forth in this Declaration and in the deed or other instrument of conveyance to his Lot or Dwelling, if any. Failure to comply with any of the same shall be grounds for imposing fines, suspending voting rights or rights

of use in and to the recreational facilities, located in the Common Areas, or for instituting an action to recover sums due, for damages, and/or for injunctive relief, such actions to be maintainable by Declarant, the Board of Directors on behalf of the Association, or by an aggrieved Owner. Should Declarant or the Association employ legal counsel to enforce any of the foregoing, all costs incurred in such enforcement, including court costs and reasonable attorneys' fees, shall be paid by the violating Owner. Inasmuch as the enforcement of the provisions of this Declaration, the By-Laws, and the rules and regulations of the Association are essential for the effectuation of the general plan of development contemplated hereby and for the protection of present and future Owners, it is hereby declared that any breach thereof may not adequately be compensated by recovery or damages, and that Declarant, the Association, or any aggrieved Owner, in addition to all other remedies, may require and shall be entitled to the remedy of injunction to restrain any such violation or breach or any threatened violation or breach. No delay, failure, or omission on the part of Declarant, the Association, or any aggrieved owner in exercising any right, power or remedy herein provided shall be construed as an acquiescence thereto or shall be deemed a waiver of the right to enforce such right, power, or remedy thereafter as to the same violation or breach, or as to a violation or breach occurring prior or subsequent thereto, and shall not bar or affect its enforcement. No right of action shall accrue nor shall any action be brought or maintained by anyone whatsoever against Declarant or the Association for or on account of any failure to bring any action on account of any violation or breach, or threatened violation or breach, by any person of the provisions of this Declaration, the By-Laws, or any rules and regulations of the Association, however long continued.

12.05 Duration The provisions of this Declaration shall run with title to the Property, shall be binding upon and inure to the benefit of all Owners and Mortgagees and their respective heirs, executors, legal representatives, successors, and assigns, and shall be and remain in effect for a period of twenty (20) years from and after the date of the recording of this Declaration, provided that rights and servitudes which are stated herein to have a longer duration shall have such longer duration. Upon the expiration of such twenty (20) year period, this Declaration shall be automatically renewed for successive ten (10) year periods. The number of ten (10) year renewal periods shall be unlimited, with this Declaration being automatically renewed and extended upon the expiration of each ten (10) year period; provided, however, that there shall be no renewal or extension of this Declaration, if, during the last year of the initial twenty (20) year period or the last year of any ten (10) year renewal period, seventy-five (75%) per cent of the total votes of the Association are cast in favor of terminating this Declaration at the end of the then current term. In the event that the Association votes to terminate this Declaration, an instrument evidencing such termination shall be filed of record in the Records of the Clerk of Court for St. Tammany Parish, Louisiana such instrument to contain a certificate wherein the President of the Association swears that such termination was duly adopted by the requisite number of votes. Every purchaser or grantee of any interest in any Property, by acceptance of a deed or other conveyance therefor, thereby agrees

that the provisions of this Declaration shall run with and bind title to the Property as provided thereby.

12.06 Interpretation In all cases, the provisions set forth or provided for in this Declaration shall be construed together and given that interpretation or construction which, in the opinion of Declarant or the Board of Directors will best effect the intent of the general plan of development. The provisions hereof shall be liberally interpreted and, if necessary, they shall be so extended or enlarged by implication as to make them fully effective. The provisions of this Declaration shall be given full force and effect notwithstanding the existence of any zoning ordinance or building codes, which are less restrictive. The effective date of this Declaration shall be the date of its filing for record on the Records of the Clerk of Court for St. Tammany Parish, Louisiana. The captions of each Article and Section hereof as to the contents of each Article and Sections are inserted only for convenience and are in no way to be construed as defining, limiting, extending, or otherwise modifying or adding to the particular Article or Section to which they refer. This Declaration shall be construed under and in accordance with the laws of the State of Louisiana.

12.07 Gender and Grammar The singular whenever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or other entities or to individuals, men or women, shall in all cases be assumed as though in each case full expressed.

12.08 Severability Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Declaration to any person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not effect any other provision or the application of any provision which can be given effect without the invalid provision or application, and to this end, the provisions of this Declaration are declared to be severable.

12.09 Rights of Third Persons This Declaration shall be recorded for the benefit of Declarant, the Owners, and their Mortgagees as herein provided, and by such recording, no adjoining property owner or third party shall have any right, title, or interest whatsoever in the Development, except as provided herein, or in the operation or continuation thereof or in the enforcement of any of the provisions hereof, and, subject to the rights of Declarant and Mortgagees, as herein provided, the Owners shall have the right to extend, modify, amend, or otherwise change the provisions of this Declaration without the consent, permission, or approval of any adjoining owner or third party.

12.10 Notice of Sale, Lease or Mortgage In the event an Owner sells, leases, mortgages, or otherwise disposes of any Lot or Dwelling, other Owner must promptly furnish to the Association in writing the name and address of such purchaser, lessee, mortgagee, or transferee.

12.11 No Trespass Whenever the Association, Declarant, the Architectural Review Committee, and their respective successors, assigns, agents or employees are permitted by this Declaration to enter upon or correct, repair, clean, maintain, preserve, or do any other action within any portion of the Development, the entering thereon and the taking of such action shall not be deemed to be a trespass.

12.12 Notices Notices required hereunder shall be in writing and shall be delivered by hand or by United States Mail, postage prepaid, certified or registered mail, return receipt requested or by a private commercial courier service such as Federal Express, Purolator, and Emery with written evidence of delivery. All notices to Owners shall be delivered or sent to such addresses as have been designated in writing to the Association, or if no address has been so designated, at the addresses of such Owners' respective Lots or Dwellings. All notices to the Association shall be delivered or sent in care of Declarant at the following address:

THE LAKES HOMEOWNER'S ASSOCIATION, INC.
c/o Albert A. Kramer, Jr.
One Longvue Drive
Mandeville, Louisiana 70448

or at such other address as the Association may from time to time notify the Owners. All notices to Declarant shall be delivered or sent to Declarant at the above address or to such other address as Declarant may from time to time notify the Association. Notices to Mortgagees shall be delivered or sent to such addresses as such Mortgagees specify in writing to the Association.

IN WITNESS WHEREOF, Declarant has executed this instrument as of the date set forth above in the presence of the undersigned witnesses, after reading of the whole.

WITNESSES:

THE LAKES OF MANDEVILLE, INC.

BY: _____
ALBERT A KRAMER JR.

JAMES G. COATE, JR., NOTARY PUBLIC