

DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
CLIPPER ESTATES SUBDIVISION
ST. TAMMANY PARISH, LOUISIANA

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LIST OF EXHIBITS

EXHIBIT "A" Authority of the Partners of Clipper Island, L.L.C.

EXHIBIT "B" Description of Real Property Initially Subject Hereto

EXHIBIT "C" Development Plan

DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
CLIPPER ESTATES SUBDIVISION
ST. TAMMANY PARISH, LOUISIANA

STATE OF LOUISIANA
PARISH OF JEFFERSON

BE IT KNOWN, that on this 12th day of January, 1995,
BEFORE ME, a Notary Public, duly commissioned and
qualified, in and for the Parish of Jefferson, State of Louisiana,
therein residing, and in the presence of the Witnesses hereinafter
named and undersigned,

PERSONALLY CAME AND APPEARED: Clipper Island, L.L.C.,
("Declarant") a Limited Liability Company organized under the laws
of the State of Louisiana, domiciled in the Parish of Jefferson,
State of Louisiana, whose mailing address is 433 Metairie Road,
Suite 608, Metairie, Louisiana 70005, herein appearing through
Stanford Latter, its Managing Partner, by virtue of authority from
the Partnership, a copy of which is attached hereto as Exhibit "A",
which said appearer did declare as follows:

WITNESSETH:

WHEREAS, Declarant is the record owner of the real
property herein described in Exhibit "B" of this Declaration, and
desires to create thereon the first phase of a planned unit
development known as Clipper Estates Subdivision, St. Tammany
Parish, Louisiana, such development to have a planned mix of land
uses; and

WHEREAS, Declarant has established a general plan for the
subdivision, improvement, and use of the Properties, as hereinafter
described, and the lots therein, in order to secure the uniform
subdivision, improvement, and use of the Properties as a part of
a planned unit development, and desires to subject the Properties
to certain covenants, conditions, and restrictions; and

WHEREAS, Declarant intends to (but shall not be required
to) develop and improve the real property which is or in the future

may be subject to this Declaration, and to provide for planned mixed uses, including but not limited to, residential, recreational, institutional and multi-use, according to the development plan for the Properties; and

WHEREAS, Declarant may sell to third parties, for the purpose of development, some of the future Phases of the Properties. Parties purchasing future Phases of the Properties or an approved subdivision of the Properties from Declarant shall be responsible for filing a Supplementary Declaration similar to the existing Supplementary Declarations filed for Clipper Estates Subdivision, which are appropriate for the enhancement and preservation of the aesthetic scheme and concept of the Properties and which shall be consistent with the development plan.

WHEREAS, Declarant desires to provide for preserving and enhancing the value, desirability, and attractiveness of the Properties, promoting the general health, safety and welfare of Owners, and maintaining the land and the improvements thereon; and

WHEREAS, to accomplish the purposes set forth herein, Clipper Estates Homeowners' Association, Inc., a nonprofit corporation, has been or will be incorporated under the laws of the State of Louisiana; and

WHEREAS, Declarant intends that all lots and property within the Properties shall be conveyed subject to the covenants, conditions, and restrictions that are hereinafter set forth, and those that may be further imposed at a later date by Declarant subject to the regulations set forth in Section 2.0905 of St. Tammany Parish Land Use Regulation Zoning Ordinance No. 523 and also to the other Governing Documents, as hereinafter defined, the provisions of all of which shall run with the land; and

NOW, THEREFORE, Declarant declares that the Properties shall be subject to the covenants, conditions and restrictions hereinafter set forth, as a part of and pursuant to a general plan for the planned unit development of the Properties.

ARTICLE I

DEFINITIONS

For the purposes of this Declaration the following explanations and definitions of words, terms, and phrases shall govern:

Section 1. ARCHITECTURAL GUIDELINES shall mean the guidelines established by the Architectural Review Committee.

Section 2. ARCHITECTURAL REVIEW COMMITTEE, (also referred to as the "ARC"), shall mean the committee established pursuant to Article VII of this Declaration.

Section 3. APPROVAL shall mean the issuance by any public agency or Institutional Lender of required written approval, or any written waiver of required approval rights or a letter of "no objection", or the failure, upon request for approval, to respond within a reasonable time after such request.

Section 4. ARTICLES shall mean the Articles of Incorporation of Clipper Estates Homeowners' Association, Inc.

Section 5. ASSESSMENTS shall refer individually, severally, and collectively to the assessments provided for by this Declaration.

Section 6. ASSOCIATION shall mean the Clipper Estates Homeowners' Association, Inc., a nonprofit Louisiana corporation, its successors, and assigns.

Section 7. ASSOCIATION RULES shall mean the rules and regulations adopted by the Board of Directors of the Association pursuant to the terms of the Governing Documents.

Section 8. BOARD shall mean the Board of Directors of the Association.

Section 9. BOOK OF RESOLUTIONS shall mean the collection of policies, rules and regulations of the Association, as such may be amended from time to time.

Section 10. BYLAWS shall mean the Bylaws of the Association.

Section 11. COMMON AREAS shall mean all real property, and the improvements or excavations thereon, owned or leased by the

Association, or over which the Association has a servitude, or over which the Association may acquire an interest, and intended to be utilized for the common use and enjoyment of Members, which shall be deeded to the Association at such time that the Subdivision Map of the subdivision in which such property is located is recorded in the Official Records of the Parish of St. Tammany.

Section 12. COMMON EXPENSES shall mean the actual and estimated cost of:

(a) Maintenance, management, and operation of the Common Areas;

(b) Unpaid Assessments;

(c) Costs of management and administration of the Association, including, but not limited to, compensation paid by the Association to managers, accountants, attorneys, agents, and employees;

(d) Costs of services which the Board may from time to time deem to benefit the Properties;

(e) The costs of insurance obtained by the Association;

(f) Reasonable reserves as deemed appropriate by the Board;

(g) The cost of bonding members of the Board, any professional managing agent, or any other person handling the funds of the Association;

(h) Taxes paid by the Association;

(i) Amounts paid to discharge any lien or encumbrance against the properties administered by the Association;

(j) Costs incurred by any Board committees; and

(k) Other expenses incurred by the Association for any reason whatsoever in connection with the cost of discharging any right, power or duty of the Association provided for in the Governing Documents, or in furtherance of the purposes of the Association, or in the discharge of any rights, duties or powers of the

Association.

Section 13. CONSTRUCTION AND SALE PERIOD shall mean that period of time during which Declarant is developing the Property and selling Lots, Units and/or residential dwellings, which time period shall extend from the date hereof until such time as the Declarant transfers title to all of the Lots and/or Units subject to this Declaration.

Section 14. DECLARANT shall mean Clipper Island, L.L.C., and its expressly designated appointees, if any, and its successors and assigns; provided, however, that no successor or assignee of the Declarant shall have any rights, powers and duties of the Declarant hereunder unless such rights, powers and duties are specifically set forth in the instrument of succession or assignment or unless such rights, powers and duties pass by operation of law.

Section 15. DECLARATION shall mean this Declaration of Covenants, Conditions, and Restrictions, as may be amended from time to time, and registered in the Office of the Clerk of Court, Parish of St. Tammany, State of Louisiana, and any registered amendments and supplements thereto.

Section 16. DEVELOPMENT PLAN shall mean and refer to the land as illustrated in Exhibit "C" hereof, as such may be amended from time to time subject to the regulations set forth in Section 2.0905 of the St. Tammany Parish Land Use Regulation Zoning Ordinance No. 523.

Section 17. FEDERAL MORTGAGE AGENCIES shall mean and refer to those Federal Agencies who have or come to have an interest in the Properties, possibly including but not limited to, the Federal Housing Administration, the Veterans Administration, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation, or successors to their interests.

Section 18. FIRST MORTGAGEE shall mean and refer to an Institutional Lender who holds the first mortgage on a Lot or Unit and who has notified the Association of its holdings.

Section 19. FOUNDING DOCUMENTS shall mean

collectively, severally, and individually, the Articles, Bylaws, this Declaration and applicable Supplementary Declarations, all as initially drawn and all as may be duly amended from time to time.

Section 20. GOVERNING DOCUMENTS shall mean collectively, severally and individually, the Founding Documents, the Architectural Guidelines and the Book of Resolutions, as such may be amended from time to time.

Section 21. IMPROVEMENTS shall mean all structures and appurtenances thereto of every type and kind, including but not limited to: buildings, outbuildings, garages, swimming pools, bulkheads, wharfs, piers, boat houses, gates, irrigation and drainage devices or systems, landscaping, plantings, windbreaks, trees, shrubs, fences, screening walls, retaining walls, sidewalks, animal enclosures, poles, works within Common Areas, light standards, recreational facilities and streets and parking areas.

Section 22. INSTITUTIONAL LENDER shall mean and refer to one or more commercial or savings banks, savings and loan associations, trust companies, credit unions, industrial loan associations, insurance companies, pension funds, business trusts, or other similar lenders, including but not limited to real estate investment trusts, any other lender regularly engaged in financing the purchase, construction or improvement of real estate, or any assignee of loans made by such a lender, or any private governmental institution which has insured a loan of such a lender, or any combination of any of the foregoing entities.

Section 23. LOT shall mean any plot of land shown upon any recorded Subdivision Map of the Properties, with the exception of Common Areas as heretofore defined, and any unit that may be created under applicable state law, as such may be amended from time to time.

Section 24. MEMBER shall mean every person who qualifies for membership in the Association, pursuant to this Declaration.

Section 25. MORTGAGE shall mean a conventional mortgage against any Lot to secure the performance of an

obligation. MORTGAGEE shall mean a person or entity to whom a Mortgage is made. MORTGAGOR shall mean a person or entity who mortgages his/her property to another, i.e., to a Mortgagee.

Section 26. NOTICE shall mean (1) written notice delivered personally or mailed to the last known address of the intended recipient or (2) notice published once a week for two weeks in a newspaper of general circulation in St. Tammany Parish.

Section 27. OCCUPANT shall mean the occupant of a Unit who shall be the Lot Owner, a contract purchaser, or a lessee who holds a written lease having an initial term of at least twelve (12) months.

Section 28. OWNER shall mean one or more persons or entities, who alone, collectively or cooperatively own a Lot and/or Unit, but excluding any person or entity who holds such interest merely as a security for the performance of an obligation, including a Mortgagee, unless and until such person has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

Section 29. PROPERTIES shall mean all of the real property initially subject to this Declaration, together with such other real property as may from time to time be annexed thereto under the provisions of this Declaration.

Section 30. QUORUM OF MEMBERS shall mean the representation by presence or proxy of Members who hold twenty-five percent (25%) of the memberships.

Section 31. RESTRICTED COMMON AREAS shall mean those portions of the Common Area which are designated for use by less than all the Members of the Association.

Section 32. SUBDIVISION shall mean and refer to the Subdivision described herein, known as "Clipper Estates".

Section 33. SUBDIVISION MAPS shall mean the official maps that subdivide the Properties which are, or will be in the future, registered in the Office of the Clerk of Court, St. Tammany Parish.

Section 34. SUPPLEMENTARY DECLARATION shall mean any

declaration of covenants, conditions and restrictions that may be recorded, that subjects real property wholly owned by Declarant and presently subject to this Declaration and subjects additional real property to this Declaration and extends the provisions of this Declaration to said additional real property and/or otherwise imposes covenants, conditions and restrictions on said real property wholly owned by Declarant and presently subject to this Declaration and subjects said additional real property to the regulations set forth in Section 2.0905 of St. Tammany Parish Land Use Regulation Zoning Ordinance No. 523.

Section 35. UNIT shall mean and refer to any structure or a portion of a structure situated upon the Properties.

Section 36. UNIT CLASS shall mean each class of development as set forth in Article V.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

A. The Properties. The real property which is or shall be initially subject to this Declaration is located in the Parish of St. Tammany, State of Louisiana, as more particularly described in Exhibit "B".

B. Additions to Existing Property. Additional properties may be subjected to this Declaration in the following manner:

(1) Additions by the Declarant. The Declarant shall have the right to subject to this Declaration any additional property which lies within the land area represented by the Development Plan, as it may be amended from time to time, subject to the regulations set forth in Section 2.0905 of St. Tammany Parish Land Use Regulation Zoning Ordinance No. 523, provided that Declarant is the owner of at least one lot then subject to this Declaration. Declarant does not warrant development of the land covered by the Development Plan, and Declarant is not required to subject any land, within the geographic boundaries of the Development Plan, to this Declaration. Under no circumstances shall Declarant be obligated to subject any portion of the area

covered by the Development Plan to this Declaration or to develop such property, other than the property initially subjected to the Declaration as of the date of recordation hereof. Declarant may, from time to time, subject all, or any part of, the land covered by the Development Plan to the provisions of this Declaration. Upon request of the Federal Mortgage Agencies or the Association, the Declarant shall provide a statement that shall set forth an estimate of the net additional operating costs expected to result from the annexation and an estimate of the expected increase in user load, if any, upon existing developed recreation facilities. Said estimate shall not be binding upon Declarant. In any event, the Declarant shall provide to the Association written notice of such annexation when it occurs.

(2) Other Additions. Additional land, other than as provided above, may be annexed to the Properties, and become a part thereof, upon approval of the Board of Directors of the Association subject to the regulations set forth in Section 2.0905 of St. Tammany Parish Land Use Regulation Zoning Ordinance No. 523.

The additions authorized under subsections (1) and (2) shall be made by complying with any requirements of the zoning ordinances of St. Tammany Parish, Louisiana, by filing of record one or more Supplementary Declarations with respect to the additional property and by filing with the Association the preliminary plat for such additions.

(3) The Declarant shall have the right to subject real property wholly owned by Declarant and presently subject to this Declaration to a Supplemental Declaration which otherwise imposes covenants, conditions, and restrictions on said property subject to the regulations set forth in Section 2.0905 of St. Tammany Parish Land Use Regulation Zoning Ordinance No. 523.

(4) Deannexation. Declarant shall have the right to be exercised in its sole discretion at any time and from time to time to deannex any property owned by Declarant from the Association and the effects of this Declaration by filing of record a Notice of Deannexation and giving notice thereof to the Board

subject to the regulations set forth in Section 2.0905 of St. Tammany Parish Land Use Regulation Zoning Ordinance No. 523.

C. Time-sharing. Time-sharing shall be prohibited on the Properties; however any Supplemental Declaration shall declare whether or not time-sharing shall be permissible on such additional property.

ARTICLE III

DEVELOPMENT OF THE PROPERTIES BY THIRD PARTIES

Section 1. Supplementary Declaration.

Prior to any sale of a Lot or Unit, the Third Party Developer shall adopt and file a Supplementary Declaration, similar to the Supplementary Declaration filed by Declarant in the Clipper Estates Subdivision, applicable to the property developed by the third party. This Supplementary Declaration shall be approved by the Declarant and the Board; shall conform and relate to the Development Plan of the Property; and shall contain the following provisions pertaining to the following subjects:

A. Provisions establishing the uses to be permitted on the Lot or Unit.

B. Provisions prohibiting activities considered to be detrimental to the Lots or Units and to the Owners.

C. Provisions creating a non-profit homeowners' association for the subdivided property (the "Subassociation").

D. Provisions establishing general standards for control of construction within the Lot or Unit, including without limitation, provisions for the control of the construction of buildings and other improvements, the control of the size and number of buildings and Lots, landscape control, sign control, utility control and the establishment of Architectural Design Guidelines.

E. Provisions obligating the members of each Subassociation to maintain all property covered by the Supplementary Declaration.

F. A provision authorizing the Clipper Estates Master Homeowners' Association, Inc. to enforce any provisions of the

Supplementary Declarations that are not being enforced by the Subassociation or other authorized entity.

Section 2. Should Third Party Developer fail to file the Supplementary Declaration as provided in Section 1 above, Declarant may file the Supplementary Declaration, or Declarant may, at its option, obtain injunctive relief against the Third Party Developer restraining and enjoining the sale by Third Party Developer of any Lots or Units. Any Third Party Developer shall, in any contract, deed or Act of Sale entered into with another party for any portion of the Properties make reference to this Declaration and any other restrictions in effect with respect to the properties and shall require the purchasing party to acquire the property subject to these restrictions.

ARTICLE IV

THE ASSOCIATION

Section 1. Organization.

A. The Association is or will be organized as a Louisiana corporation pursuant to the Louisiana Nonprofit Corporation Law, LSA-RS 12:201, et seq. The Association is or will be charged with the duties and vested with the rights and powers provided by law, together with those duties, rights and powers set forth in the Founding Documents. In the event there should exist any ambiguity in any provision of the Articles, Bylaws, or Supplementary Declarations, then such provision shall be construed, to the extent possible, so that such provision shall be consistent with the applicable or analogous provisions of this Declaration.

B. In the event that the Association is dissolved as a corporate entity, a non-profit unincorporated association shall forthwith and without further action or notice be formed and succeed to all rights, powers and duties of the Association. The affairs of such unincorporated association shall be governed by the laws of the State of Louisiana and, to the extent not inconsistent therewith, by the Founding Documents, as if those documents were created for the purpose of governing the affairs of such unincorporated association.

C. Subsidiary Corporations. The Association shall have the right to form one or more subsidiary corporations, for any purpose or purposes deemed appropriate by a majority vote of the Board. Without limiting the generality of the foregoing, one or more subsidiary corporations may be formed for the operation and maintenance of any specific area or to perform any function within the Properties. However, such subsidiary corporation shall be subject to this Declaration and may not take any action to lessen or abate the rights of the Members.

Section 2. Ownership of Common Areas

The Common Areas shall be owned and/or administered by the Association for the use, enjoyment, and convenience of the Members, and for the purposes, and subject to the restrictions and limitations, set forth in the Governing Documents.

Section 3. General Duties and Powers

The Association is empowered with the duties and powers found in the Founding Documents. Without limiting the generality of the foregoing, the Association shall have the further duties and powers specified in this Article.

Section 4. Further Duties of the Association

In addition to all duties and obligations of the Association set forth in the Founding Documents, the Association shall have the following obligations:

(a) To enforce the provisions of the Governing Documents by appropriate means and to carry out the obligations of the Association thereunder;

(b) To accept all right, title, and interest in and to the Common Areas and Restricted Common Areas conveyed to it;

(c) To manage and otherwise administer the Common Areas. The Association, subject to the rights of the Members set forth in this Declaration, shall be responsible for the exclusive management and control of the

benefit of the Members of the Common Area conveyed to it and all improvements on the Common Area (including furnishings and equipment related to those improvements). The Association shall keep the same in good, clean, attractive and sanitary condition, order and repair in compliance with standards set by the Association.

(d) To pay, to the extent not assessed to its Owners, all real and personal property taxes and other assessments levied upon any portion of the Properties owned or administered by the Association;

(e) To provide and administer the appeals process as provided herein;

(f) To obtain and maintain in its own name, to the extent available, such policies of insurance as the Board shall deem necessary;

(g) To prepare an estoppel certificate that shall set forth any assessments and charges due upon any Lot at the time of conveyance, and certify whether or not there are violations of the Governing Documents remaining on the Lot as of the date of preparation of such certificate. This certificate shall be delivered to the place and time of closing as set forth in the notice thereof to the Board from the contract seller. Outstanding Assessments, if any, and a reasonable charge to cover the fees and other costs of providing such certificate shall be deducted from the Seller's account at the closing and transmitted directly to the Association.

Section 5. Further Powers of the Association

The Association is further empowered to (a) engage in any lawful activity for which corporations may be formed under the Nonprofit Business Corporation Law of Louisiana; (b) exercise all of the powers set forth in the Founding Documents; and, (c) do and perform any and all acts that may be necessary or proper to benefit the Members or for the exercise of any of the express powers of the Association, including, without limitation, the following:

(a) to contract and pay for costs incurred in the exercise of its duties, rights and powers;

(b) to fix, levy and collect Assessments as provided herein;

(c) to grant and convey easements, rights and/or servitudes over and to the Common Areas, including without limitation, the creation of Restricted Common Areas as may become necessary or desirable as determined by the Board of Directors in its sole discretion and as provided herein;

(d) to pay the Common Expenses;

(e) to pay and discharge any and all liens from time to time placed or imposed upon any portions of the Properties owned by it, or any improvements thereon, including but not limited to any liens so placed or imposed on account of any work done or caused to be done by the Association in the fulfillment of any of its obligations, powers, rights or duties;

(f) to cause such improvements and additions to be made to the Common Areas and all facilities associated with such areas, and to provide such services, take such action and do such things as the Board shall determine to be necessary or desirable;

(g) to exercise such servitudes granted the Association in the Founding Documents, as the Board may deem desirable or necessary;

(h) to employ the services of a manager or other persons and to contract with independent contractors or managing agents to manage, conduct or perform its day-to-day affairs;

(i) to review and modify, approve or disapprove architectural standards proposed by the Architectural Review Committee;

(j) to acquire, own, hold, improve, maintain, manage, lease, pledge, mortgage, hypothecate, convey, transfer or dedicate interests in real or personal property for the purposes of management of the Properties, administration of the affairs of the Association, or benefit of the Members, subject to the provisions of the Founding Documents.

Section 6. The Board of Directors

All rights, duties and powers of the Association shall reside in and be exercised by the Board consisting of between five (5) and nine (9) members. As long as the Declarant owns one Lot or Unit subject to this Declaration, the Declarant shall appoint a minimum of six (6) members to the Board. The remaining Board members shall be elected pursuant to the provisions of the Founding Documents. The Board shall cause the Association to comply with its obligations herein. The rights, powers, and duties of the Association shall be exercised or performed upon the affirmative vote of the Board in accordance with its Founding Documents. Minutes of the meetings of the Board shall be kept in the Book of Resolutions after approval by the Board, and a copy of such shall be available for inspection by any Member during business hours at the principal office of the Association. A copy of any Board

resolution shall be entered in the Book of Resolutions.

Section 7. Delegation of Board Power

The Board shall have the right to delegate, to the extent permitted by the Founding Documents, to committees, officers, employees or agents any of its duties and powers under the Governing Documents; provided, however, that no such delegation shall relieve the Board of its obligation for its assigned duties.

Section 8. Association Rules

The Board shall have the power to adopt, amend, and repeal such rules and regulations as it deems reasonable and as provided in the Founding Documents. The Association Rules shall govern such matters in furtherance of the purposes of the Association, including, without limitation, the use of property, including Common Areas, and any activity, conduct, condition or thing located in or upon any Lot, provided, however, that the Association Rules shall not be inconsistent with the Founding Documents. A copy of the Association Rules as they may from time to time be adopted, amended or repealed, shall be kept as a part of the Book of Resolutions. Association Rules shall have the same force and effect as if they were set forth in and were part of this Declaration and shall be binding on the Members. A copy of the Association Rules, as adopted, amended or repealed, shall be available at the principal office of the Association to each Member and Institutional Lender upon request. In the event of any conflict between any such Association Rule and any provisions of the Founding Documents, the provisions of the Association Rules shall be deemed to be superseded by the provisions of the Founding Documents, to the extent of any such conflict.

Section 9. Appeals Process

A. In the event of any alleged violation by any Member of any of the provisions of the Governing Documents (other than those relating to Assessments or which pose an immediate threat to life, limb or property) or any of the Association's guidelines or standards, the Board shall give notice to such Member setting forth the alleged violation.

B. After the Owner and/ or Member is informed under part A hereof, such Owner and/or Member shall have an opportunity to present a response.

C. The Board shall adopt rules and regulations setting forth a procedure for administering the steps outlined under parts A, B and D hereof and any other steps necessary for resolution of such disputes. Informal attempts to correct any alleged violations may be undertaken by the Board at any time, but are not required.

D. Any decision of the Architectural Review Committee may be appealed to the Board.

Section 10. Limitation of Liability

Neither the Association nor the Declarant shall be liable to any Member or to each other for any reason, including but not limited to any failure of any services to be obtained by the Association or paid for out of the Common Expense funds, or for injury or damage to person or property caused by the elements, or resulting from Common Areas or community facilities, or from any wire, pipe, drain, conduit or the like, unless otherwise provided by law or the Founding Documents. Neither the Association nor the Declarant shall be liable to any Member for loss or damage, by theft or otherwise, of articles which may be stored upon the Common Areas or other properties owned or administered by the Association. The Association shall indemnify and hold harmless its directors and/or officers and/or any members of its committees or subsidiary corporations from any acts or omissions by any of them, within the scope of their authority, in the course of exercising their rights, powers or duties as set forth under the Founding Documents. No diminution or abatement of assessments shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Areas, nor from any action taken by the Association or the Declarant to comply with, or to exercise any right, power or duty under, the Governing Documents, any applicable law or ordinance or with the order or directive of any state, parish, municipal or other governmental authority.

Section 11. Parcel Representative Committee.

A. Parcel Representative.

Each portion of the property annexed into this Declaration by a Supplementary Declaration shall be represented by an Owner designated the Parcel Representative. The Supplementary Declaration shall provide that the Declarant shall appoint the initial Parcel Representative. Thereafter, the Parcel Representative shall be elected at the annual homeowners meeting by a majority of the Owners in that subdivision subject to the Supplementary Declaration to represent the Owners before the Board of Directors.

B. Powers and Duties.

1. The Parcel Representative shall be the representative of the particular subdivision before the Board. The Parcel Representative shall not be a Board member and shall not have any voting rights on the Board.

2. In the event this Declaration is to be amended, the Parcel Representative shall cast the vote of the Owners of the representative's respective subdivision after polling the Owners. The vote shall be one vote per subdivision.

3. The Parcel Representative shall have such other rights and duties as may be established by the Board.

ARTICLE V

RIGHT OF ASSOCIATION MEMBERSHIP

Section 1. Eligibility For Membership

Membership shall be appurtenant to the Lot or Unit giving rise to such membership, and shall not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except as provided in the Governing Documents.

Section 2. Right to Use of Common Areas

All Common Areas shall be reserved for the use of the Association and of its Members and persons holding under them, their families, guests and invitees, subject to any rights, easements and/or servitudes thereto.

Every Member shall have a right of use and enjoyment in and to the Common Areas and such right of use and enjoyment shall

be appurtenant to and shall pass with the title to every Lot subject to the following:

(a) applicable restrictions of law;

(b) the rights, powers and duties of the Association, and the exercise of such provided by the Governing Documents;

(c) the right of the Board or its delegates to levy reasonable admission and/or other fees for the use by the Members of the Association and/or their guests of any facilities situated upon the Common Areas;

(d) the right of the Association to dedicate or transfer all or any part of the Common Areas to any public, state, parish or municipal agency, authority or utility for purposes consistent with the purposes of the Founding Documents and subject to the provisions of the Founding Documents and further subject to the regulations set forth in Section 2.0905 of St. Tammany Parish Land Use Regulation Zoning Ordinance No. 523.

(e) the right of the Association, acting by and through its Board, to grant rights-of-way and/or servitudes for any public utility purpose to any state, parish or municipal agency, public utility or to the Declarant, for the purpose of the installation and/or maintenance of such utilities as may be necessary or desirable to serve any of the Common Areas or to serve any other portion of the Properties subject to the regulations set forth in Section 2.0905 of St. Tammany Parish Land Use Regulation Zoning Ordinance No. 523.

(f) the rights of the Association to suspend the right of an Owner to use the

recreational facilities for any period during which any assessment against his/her Lot remains unpaid for more than thirty (30) days after notice until such default has been remedied. The Association may suspend the rights of a Member to use the recreational facilities for a period not to exceed sixty (60) days for any other infraction of the Governing Documents.

(g) the right of the Association to mortgage any or all of the facilities as provided in the Articles of Incorporation; in the event of a default upon any such mortgage the lender's rights hereunder shall be limited to a right, after taking possession of such properties, to charge admission and other fees as a condition to continued enjoyment by the Members and, if necessary to open the enjoyment of such properties to a wider public until the mortgage debt is satisfied whereupon the possession of such properties shall be returned to the Association and all rights of the Members hereunder shall be fully restored;

(h) the right of the Board to create Restricted Common Area as herein provided subject to the regulations set forth in Section 2.0905 of St. Tammany Parish Land Use Regulation Zoning Ordinance No. 523.

ARTICLE VI

COVENANT FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation for Assessments

Each Lot Owner, including Declarant to the extent hereinafter provided, by acceptance of a deed or other conveyance therefor, is deemed to covenant and agree to pay the Association the Assessments provided in this Article, whether or not it shall

be so expressed in any such deed or other conveyance, all such Assessments to be fixed, established, and collected from time to time as hereinafter provided. If any Owner does not pay such Assessment or any installment thereof when due, he/she may be deemed by the Board to be in default in the amount of all or any combination of all Assessments not paid, the amount of any subsequent default, attorneys' fees, costs and a reasonable late charge as determined by the Board. Such sums shall become a lien upon such defaulting Owner's Lot and other rights and interests in and to the Properties and the improvements thereon and thereto upon the recordation of a Notice of Claim of Lien. Each such Assessment, together with such interest, late charges, costs, and attorneys' fees, shall also be the personal obligation of the Owner of such Lot at the time when the Assessment becomes due.

Section 2. Purpose of Assessments

The Assessments levied by the Association shall be used exclusively for the purposes set forth or implicit in the Governing Documents, including but not limited to, the improvement and maintenance of the Properties, enhancing the services and facilities devoted to this purpose, purposes related to the use and enjoyment of the Common Areas, and in furtherance of any other right, duty or power of the Association.

Section 3. Regular Assessments

At least thirty (30) days prior to the commencement of each fiscal year, the Board shall estimate the Common Expenses to be incurred by the Association during the succeeding year in performing its functions hereunder and the amounts necessary to provide for a reasonable contingency reserve, working capital, and sinking fund (including funds to provide for the nonpayment of assessments), which amounts reduced by any expected surplus from the prior year's fund shall collectively constitute the Association's aggregate Regular Assessment. The Board shall then determine the amount of the Regular Assessment to be paid by each Owner, which amount shall be based on the class, as set forth below, of each Owner's property on the date of assessment. The

Board shall send written notice of the annual Regular Assessment to every Owner. Each Owner shall thereafter pay to the Association his/her Regular Assessment in the installments established by the Board. Each such installment shall be due and payable on a date established by the Board in written notice sent to the Owners.

For purposes of Regular Assessments, there shall be the following three classes of Units:

- Class I. Deep Water Units
- Class II. Lake Units
- Class III. Multi-Family Units

The property set forth in Exhibit "B" shall belong to Classes I & II.

The Supplemental Declarations shall set forth the Unit Class to which any additional property shall belong. The Supplemental Declaration may set forth the share of Assessments to be borne by a Unit Class or portion thereof. Said share of Assessments may be specified in relation to the share borne by other Unit Classes and/or to the other property within a specific Unit Class. The Supplemental Declarations shall be subject to the regulations set forth in Section 2.0905 of St. Tammany Parish Land Use Regulation Zoning Ordinance No. 523. Unless otherwise set forth in a Supplemental Declaration, each Unit Class shall be assessed at a uniform rate within and among the Unit Classes.

In the event the Board shall determine that the estimate of the total charges for the current fiscal year is or will become inadequate to meet all Common Expenses for any reason, it shall then immediately determine the approximate amount of such inadequacy and issue a supplemental estimate of the Common Expenses and determine and levy a revised Regular Assessment for each Owner, and the date or dates when such revised Regular Assessment is due.

Section 4. Capital Improvement Assessments

In addition to the Regular Assessments, the Board may levy in any fiscal year a Capital Improvement Assessment, applicable to costs to be incurred that year, for the purpose of defraying, in whole or in part, the cost of any construction,

improvement or replacement of capital improvements owned, leased, or administered by the Association, including the necessary fixtures and personal property related thereto. The Capital Improvement Assessment shall be assessed and collected according to the procedures dictated in Section 3 of this Article VI.

Section 5. Special Assessments

From time to time during the first fiscal year and at any time thereafter, the Board may establish and levy against an Owner and his/her Lot, Special Assessments for any reason, provided or authorized by the Governing Documents. Special Assessments may also include, but shall not be limited to, any other charge designated as a Special Assessment in the Governing Documents.

Additionally, the Board shall levy a Special Assessment against a Lot and its Owner for and in the amount of:

(a) All costs or expenses incurred by the Association in the maintenance, repair, operation, completion, restoration, improvement or addition to or of such Lot or any Unit or Improvements on such Lot, including fines and deposits established by the Architectural Review Committee;

(b) All costs or expenses of the Association incurred in bringing a Lot and the Owner of such Lot into compliance with the provisions of the Governing Documents, including fees levied by the Association or the Architectural Review Committee in accordance with the Governing Documents;

(c) All costs or expenses of the Association incurred in connection with the repair or restoration of any Common Area, or any Improvements thereon caused by such Owner and his/her family, guests or invitees;

(d) Attorneys' fees, interest and other charges relating thereto as provided in this

Declaration.

Section 6. Method of Assessment

By a vote of a majority of the Directors, the Board shall fix the Assessments as provided herein. In the event the Board fails to fix such an Assessment for any fiscal year, then each such Assessment established for the prior year shall automatically be continued until such time as the Board acts.

Section 7. Certificate of Payment

The Association shall, upon demand, furnish to any Owner liable for Assessments, a written certificate signed by an officer of the Association or an authorized agent of the Association, setting forth that the Assessments upon a specified Unit have been paid, or the amount of the delinquency, if any. A reasonable charge may be collected by the Board for the issuance of such a certificate. Such certificates shall be presumptive evidence of payment of any Assessment stated in the certificate to have been paid.

Section 8. Date of Commencement of Declarant's Assessments

With respect to Declarant, the obligation to pay Assessments shall commence on a Lot owned by Declarant on the first day of the next month following the date that Declarant receives a Certificate of Occupancy pertaining to said Lot.

Section 9. No Reduction or Waiver of Assessments

All Assessments shall be payable in the amount specified by the notice of Assessment and no Owner may reduce or vitiate any portion of any Assessment for any reason, including, without limitation the waiver of the use or enjoyment of any or all portions of the Common Areas, or by contention that the Association is not properly exercising its duties, rights or powers as provided in the Governing Documents.

Section 10. Recreation Property

Notwithstanding anything to the contrary, any portion of the Properties designated in the Development Plan, a pertinent Plat, or so determined by the Board to be recreational property shall not be subject to any Assessments, of any kind whatsoever.

Further notwithstanding anything to the contrary, this Section may not be amended without the prior express written consent of Declarant.

Section 11. Declarant's Performance of Association Obligations

Declarant shall have the right, to be exercised in its sole discretion, at any time and from time to time, to perform the operation and maintenance obligations (or any part or portion thereof) of the Association, or any phase or Unit Class thereof, in lieu of payment of Declarant's assessments attributable thereto; and to receive for such performance of obligations that portion of the assessments collected by the Association therefor.

Section 12. Declarant's Option

Notwithstanding anything to the contrary, as long as Declarant (or any of its affiliates) is the Owner of any Lot or Unit within the Properties, Declarant shall have the option, in its sole discretion, to (i) pay Assessments on the Lots owned by it, and pay assessment on the Lots owned by it as if it were a Lot Owner, or (ii) not pay any Assessments and in lieu thereof fund any resulting deficit in the Association's operating expenses not produced by Assessments receivable from Owners other than Declarant. The deficit to be paid under (ii), above, shall be the difference between (a) actual operating expenses of the Association (exclusive of capital improvement costs, reserves and management fees), and (b) the sum of all monies receivable by the Association (including without limitation, Assessments, interest, late charges, fines and incidental income) and any surplus carried forward from the preceding year (s). Declarant may from time to time change the option stated above under which Declarant is making payments to the Association by written notice to such effect to the Secretary of the Association. If Declarant at any time elects option (i) above, it shall not be deemed to have elected option (ii). When all Units or Lots within the Properties are sold and conveyed to purchasers and there is no remaining Property owned by Declarant within the Properties, neither Declarant nor its affiliates shall have further liability of any kind to the Association for the payment of

assessments, deficits or contributions. Further, notwithstanding anything to the contrary, neither Declarant nor its assignees or successors, shall ever be obligated or required to pay a Special or Individual Assessment.

ARTICLE VII

NONPAYMENT OF ASSESSMENTS

Section 1. Delinquency

Any Assessment provided for in this Declaration that is not paid when due shall be delinquent on said date (the "Delinquency Date"). If any such Assessment is not paid within a period of time set by the Board after the Delinquency Date, the Board may provide that a reasonable late charge per each delinquent Assessment be levied and the Assessment bear interest from the Delinquency Date at the maximum rate permitted by law. The Association may, at its option, and without waiving the right to foreclose its lien against the Lot, pursue any available remedies, including, without limitation, bringing an action at law against the Owner personally obligated to pay the same. Upon compliance with the notice provisions set forth in Section 3 of this Article VII, the Board may add to the amount of such Assessment interest and late charges, in addition to all costs and attorneys' fees incurred in connection with such action. In the event a settlement of the dispute or judgment is obtained, such settlement of the dispute or judgment may include said late charge, interest, and an attorney's fee, together with the costs of action. Each Owner vests in the Association or its assigns, the right and power to bring all actions at law or lien foreclosure against such Owner or other Owner for the collection of such delinquent assessments.

Section 2. Acceleration

In addition to any and all remedies available under Section 1 of this Article VII, and elsewhere provided in this Declaration, and in the event any assessment is not paid within thirty (30) days after the Delinquency Date, all other Assessments which are provided for in this Declaration and all other Assessments which have been established by the Board and any and

all installments thereof, whether or not any of the foregoing are due, may be accelerated at the option of the Board and be declared due and payable.

Section 3. Notice of Lien

No action shall be brought to foreclose the Assessment lien or to proceed under the power of sale herein provided until thirty (30) days after the date a Notice of Claim of Lien is deposited in the United States mail, certified or registered, postage prepaid, to the Owner of said Unit, and a copy thereof is recorded by the Association in the proper public records of the Parish of St. Tammany, State of Louisiana, which shall then constitute the Assessment lien against that Member's Unit(s). The Notice of Claim of Lien may be filed at any time after the expiration of the thirty (30) day period following the Delinquency Date. The Notice of Claim of Lien must recite a good and sufficient legal description of any such Unit, the record Owner or reputed Owner thereof, the amount then claimed, which may include interest on the unpaid Assessment at the maximum rate permitted by law, late charges, costs, and attorneys' fees in connection with the debt secured by said lien, and the name and address of the Association.

Section 4. Foreclosure Sale

The Assessment lien may be enforced by sale by the Association, its attorney or any other person authorized by the Board to make the sale after failure of the Owner to make the payments specified in the Notice of Claim of Lien within said thirty (30) day period. Any such sale provided for above is to be conducted in accordance with the applicable provisions of law. The Association, through its duly authorized agents, shall have the right to bid on the Lot and/or Unit, using Association funds or funds borrowed for such purpose, at the sale, and to acquire and hold, lease, mortgage, and convey the same. Such rights, however, are subject to the rights of prior Mortgagees of that Lot and/or Unit.

Section 5. Executory Process

Each Owner, by acceptance of a deed is deemed to confess judgment in favor of the Association in any proceeding brought by it to enforce the Assessment lien. It shall be lawful for, and each Owner by acceptance of a deed does hereby authorize the Association, without making a demand or putting said Owner in default, a putting in default being expressly waived, to cause the Unit or Units encumbered by said Assessment lien to be seized and sold after due process of law. Each Owner waives the benefit of any and all laws or parts of laws relative to the appraisal of the Unit seized and sold under executory process or other lawful process. Each Owner further waives the demand for payment under executory process or other lawful process. Each Owner consents that said property be sold to the highest bidder for cash or on such terms as the Association may direct. Each Owner, by acceptance of a deed or other conveyance therefor, is also deemed to agree that in the event any proceedings are taken under this Declaration by executory process or otherwise, any and all declarations of facts made by authentic act before a notary public and in the presence of two witnesses by a person declaring that such facts lie within his/her knowledge, shall constitute authentic evidence of such facts for the purpose of executory process.

Section 6. Curing of Default

Upon the timely payment or other satisfaction of (a) all delinquent Assessments specified in the Notice of Claim of Lien, (b) all other Assessments which have become due and payable with respect to the Unit as to which such Notice of Claim of Lien was recorded, and (c) interest, late charges, costs, attorneys' fees and other expenses and costs of collection and preparation pursuant to this Declaration that have accrued, officers of the Association or any other persons designated by the Board are hereby authorized to file or record, as the case may be, an appropriate Release of Assessment Lien, upon payment by the defaulting Owner of a release fee, to be determined by the Association, to cover the costs of preparing and filing or recording such release.

Section 7. Cumulative Remedies

The Assessment lien and the rights of foreclosure and sale thereunder shall be in addition to and not in substitution for all other rights and remedies which the Association may have hereunder or by law, including but not limited to a suit to recover a money judgment for unpaid Assessments, as above provided.

Section 8. Subordination of Assessment Lien

If any Unit subject to a monetary lien created by any provision of this Declaration shall be subject to a prior recorded mortgage or lien: (a) the foreclosure of any such Assessment lien shall not operate to affect or impair the prior recorded mortgage or lien, and (b) the foreclosure of the prior mortgage or lien shall operate to extinguish the Assessment lien.

ARTICLE VIII

ARCHITECTURAL REVIEW COMMITTEE

Section 1. Function

The Architectural Review Committee may be established by the Board. Prior to the establishment of the Architectural Review Committee, the Board shall have the rights and duties of the Architectural Review Committee.

Section 2. Powers and Duties

The Architectural Review Committee shall regulate the external design, appearance, use and maintenance of the Properties and Units and other Improvements thereon, including the location of such Improvements, in such a manner so as to preserve and enhance values and to maintain a harmonious relationship among Improvements and the land.

The Architectural Review Committee shall enforce the provisions of the Governing Documents. It shall also have the power to impose reasonable application fees as well as the costs of reports, analyses, or consultations required in connection with Improvements or changes proposed by any Owner. The Architectural Review Committee may issue a cease and desist request to any Owner, his/her guests, invitees, or lessees whose actions are inconsistent with the provisions of the Governing Documents, the Association Rules or resolutions of the Board (upon petition of any Unit Owner

or upon its own motion) and enforce such action by temporary restraining order or injunction. Any action, ruling or decision of the Architectural Review Committee may be appealed to the Board according to procedures duly adopted by the Board.

In furtherance thereof, the Architectural Review Committee shall:

- (a) Review and approve, modify or disapprove written applications of Owners and of the Association, for Improvements or additions to Lots, Units or Common Areas. Owners shall submit detailed plans of any actions requiring approval of the Architectural Review Committee;
- (b) In accordance with the Governing Documents, monitor Lots and Units for compliance with design standards and approved plans for alteration;
- (c) Adopt architectural standards and guidelines subject to the confirmation of the Board;
- (d) Adopt procedures for the exercise of its duties;
- (e) Decide cases of alleged infraction of the Architectural Guidelines and thereupon to compel action or enjoin further action of parties found in violation thereof; and
- (f) The Architectural Review Committee shall have such additional duties, power and authority as the Board may from time to time provide by resolution. The Board may relieve the Architectural Review Committee of any of its duties, powers and

authority either generally or on a case-by-case basis. The Architectural Review Committee shall carry out its duties and exercise its powers and authority in the manner provided for in the Association Rules or by resolution of the Board.

Section 3. Failure to Act

In the event the Architectural Review Committee fails to approve, modify, or disapprove in writing a correctly filed application within forty-five (45) days after such filing, approval will be deemed granted. Total or partial disapproval will include the reasons for such disapproval.

Section 4. Appeal

An applicant may appeal an adverse Architectural Review Committee decision to the Board, which may reverse or modify such decision by a majority vote of the Directors. Such appeal shall follow the procedures duly adopted by the Board.

Section 5. Conditions to Approval

The Architectural Review Committee may condition its approval upon an applicant's compliance with limitations or stipulations it deems appropriate, including but not limited to the following: 1) that any proposed erection, excavation, construction, installation, replacement or alteration be completed within a reasonable period of time from the date of approval; and 2) that the applicant deposit with the Association such reasonable sum as may be determined by the Architectural Review Committee to cover any cost or expense that might be incurred by the Association for the repair or maintenance of Common Areas or property owned by third parties, that might be required as a result of the acts undertaken by the applicant pursuant to the approval, or to enforce compliance with the Architectural Guidelines. Any portion of said deposit not required for such repair or maintenance, or to enforce compliance with the

Architectural Guidelines shall be refunded to the applicant at the time the Architectural Review Committee issues the Certificate of Compliance provided for in this Article. Nothing herein shall limit the right of the Association to assess or recover from any applicant in accordance with Article VI any costs or expenses in excess of the retained amount of such applicant's deposit.

Section 6. Waiver

The approval of the Architectural Review Committee of any plans or specifications, including but not limited to a color scheme, plot plan, or grading plan, submitted for approval for use on any particular Lot, or elsewhere, shall not be deemed to be a waiver by said committee of its right to object to any of the features or elements embodied therein if and when the same features or elements are embodied in any subsequent plans and specifications, including but not limited to a color scheme, plot plan or grading plan, submitted for approval with respect to any other Lot, part or parcel of said Properties.

Section 7. Compliance After Approval

No Improvements or alterations or additions to any Unit for which any plans and specifications, including but not limited to a color scheme, plot plan or grading plan, have been approved by the Architectural Review Committee shall be erected, constructed, installed, replaced or altered except in strict conformance with said plan and specifications, color scheme, plot plan, grading plan, such conditions and requirements as said committee may impose in connection with its approval of such structure or improvements and the provisions of the Architectural Guidelines. Any deviation from said plans and specifications, including but not limited to a color scheme, plot plan or grading plan, in such erection, construction, installation, replacement, or alteration shall nullify the approval of said committee and such structures or improvements shall be deemed to have been undertaken without said committee's approval or consent. Consistent with the powers, rights and duties set forth in Section 2 of this Article VIII, the Architectural Review Committee and the

Board, as applicable upon appeal, is responsible for reviewing applications as to their compliance with the Governing Documents.

Section 8. Certificate of Compliance

After the completion of the Improvements or alterations or additions to any Unit in accordance with the provisions of this Article, the Owner of said structure or improvement, or his/her agent or representative, shall provide the Architectural Review Committee with a Certificate of Compliance which states that the building or structure has been so completed in conformance with the requirements of this Article and of the Architectural Review Committee. Such Certificate of Compliance, however, shall not provide any presumption in favor of the Owner that such works actually do conform to the requirements of this Article or of the Architectural Review Committee.

Section 9. Nonliability for Approval of Plans

Neither the Architectural Review Committee, any member thereof, the Association, the Members, the Declarant, nor the Board shall be responsible for any defect in, or noncompliance with any governmental law, rule or regulation for any Unit or other structure or improvement erected, constructed, installed, placed, altered or maintained in accordance with or pursuant to any plans and specifications, including but not limited to a color scheme, plot plan or grading plan approved by the Architectural Review Committee or any conditions or requirements that said committee may have imposed with respect thereto. Nor are plans and specifications approved as to the integrity of the engineering design. The Architectural Review Committee, the members thereof, the Association, the Members, the Board, and the Declarant shall not be liable, or responsible for, any defect in any structure or other improvement constructed from such plans and specifications.

Section 10. Resale of Lots

(a) Reference to Declaration. The deed or instrument transferring title to any Unit shall contain a provision incorporating by reference the covenants, conditions and

restrictions set forth in this Declaration, as well as any applicable Supplementary Declaration.

(b) Notification. The contract seller of a Unit shall notify the Board of the contract purchaser and the scheduled date and place conveyance will be accomplished. Such notice shall be provided reasonably in advance of the conveyance date, and in no event less than three (3) days prior thereto.

Section 11. Relaxation of Restrictions

The Architectural Review Committee shall have the right and privilege to permit any Owner, without the consent of other Owners, to deviate from any or all of the building or landscaping restrictions set forth pursuant to this Article VIII, provided that such deviation is necessary in order to carry out the general purposes of the Governing Documents. Any such permission of said committee shall be in writing and shall not constitute a waiver of said committee's powers of enforcement with respect to any of the restrictions as to any other part or parcel of the Properties. Additionally, any such permission of said committee shall be strictly construed.

Section 12. General Provisions

A. The Architectural Review Committee may establish reasonable procedural rules and may assess a reasonable fee (based on costs of processing and review) for submission of plans, or may establish a schedule of such fees, in connection with review of plans and specifications, to be payable at the time such plans and specifications are submitted. Said fees are a special assessment as defined in Article VI, Section 5 and are subject to the provisions regarding assessments in Articles V and VI herein. The Architectural Review Committee may delegate its plan review responsibilities to one or more members of the Architectural Review Committee. Upon such delegation, the approval or disapproval of plans and specifications by such persons may be equivalent to

approval or disapproval by the entire Architectural Review Committee, if the Architectural Review Committee so chooses. Unless such rules regarding submission of plans are complied with, such plans and specifications shall be deemed not submitted.

B. The address of the Architectural Review Committee shall be the principal office of the Association as designated by the Board. Such address shall be the place for the submittal of plans and specifications and the place where the current architectural standards, if any, shall be kept.

Section 13. Inapplicable to Declarant

The Declarant need not seek or obtain Architectural Review Committee approval in order to engage in any construction, improvement, or placement of, or any other activities which involve any facilities on any property owned or administered by the Declarant or the Association.

ARTICLE IX

REPAIR AND MAINTENANCE

Section 1. Repair and Maintenance by Owner

Unless otherwise provided in a Supplementary Declaration applicable to an Owner's Lot, each Owner shall:

(a) Maintain the exterior of his/her Unit and roof of such Unit in good condition and repair;

(b) Within one hundred twenty (120) days after conveyance of title to a Lot the Owner thereof shall plant lawns or otherwise landscape the Lot, including any private slopes not maintained by the Association, if any, without in any way impeding the proper drainage of such Lot. All such landscaping shall only be undertaken with the approval of the Architectural Review Committee. All landscaping and drainage installed by an Owner shall be maintained in good condition. Further, in order to maintain the beauty of

the area, no weeds, rubbish, debris, objects or materials of any kind, nor plants or seeds infected with noxious insects or plant diseases, shall be placed, grown or permitted to accumulate upon any portion of a Lot that renders such portion of the Lot unsanitary, unsightly, offensive or detrimental to any Lot in the vicinity thereof, or to the Occupants of any such Lot in such vicinity;

(c) Ensure that all rubbish, trash, garbage and debris shall be regularly removed from the Lot and shall not be allowed to accumulate thereon.

Section 2. Standards for Maintenance and Installation

Maintenance of Lots and the exterior of the Units and Improvements, including, without limitation, walls, fences and roofs, shall be accomplished in accordance with the architectural standards. All slopes or terraces, if any, on a Lot shall be maintained so as to prevent any erosion thereof upon adjacent streets or adjoining property. No obstruction may be constructed or maintained in any lake or canal except as may be allowed in the Governing Documents. Further and additional standards for maintenance and installation may be provided by the Governing Documents.

Section 3. Right of Entry

The Association shall have the right to enter upon any Lot or Units in connection with any maintenance, installation, repair or construction in the exercise of the rights, powers and duties of the Association.

ARTICLE X

COMMON AREAS

Section 1. Damages by Members

Each Member shall be liable to the Association for any damage to Common Areas that may be sustained by reason of the negligence or willful misconduct of said Member, or of his/her

respective family and guests, both minor and adult, or his/her contractors, builders, subcontractors, or their licensees, invitees, contractors, subcontractors, or employees. The Association reserves the right, acting through the Board, after notice and hearing, to charge a Special Assessment equal to (1) the increase, if any, in any insurance premium directly attributable to such damage, and (2) the cost of correcting such damage. In no event shall the Association be required to make any insurance claim relating of such damages. In the case of joint ownership of a Lot, the liability of such Owners and, if applicable, their lessees, shall be in solido, except to the extent that the Association has previously contracted in writing with such joint Owners to the contrary.

Section 2. Other Damage

Subject to the regulations set forth in Section 2.0905 of St. Tammany Parish Land Use Regulation Zoning Ordinance No. 523, the Association may but shall not be required to repair and restore any Common Area or Improvement thereon, including any Improvement made of the Association, in the event of damage to or destruction of such Common Area or Improvements as the result of damage by fire or other casualty. The proceeds of insurance shall be applied to any such repair and restoration. Any such repair or restoration shall be substantially in accordance with the original plans and specifications for such improvements. Any costs of repair, restoration or improvement not covered by insurance shall constitute a capital expense of the Association, which may be funded by way of a Capital Improvement Assessment.

Section 3. Condemnation or Taking

Subject to the regulations set forth in Section 2.0905 of St. Tammany Parish Land Use Regulation Zoning Ordinance No. 523, in the event that at any time any portion of the Common Areas shall be acquired or condemned by any authority exercising the power of eminent domain, or, if applicable, under the Louisiana Condominium Act, all compensation and damages for or on account of such property taken shall be payable to the Association but need not be used by the Association to acquire and develop alternative property

and facilities or to further develop or improve existing Common Areas or facilities thereon, for the benefit and use of the Owners having an interest in such property.

Section 4. Foreclosure

In the event the Common Area is foreclosed upon, the Association shall have a right of first refusal to purchase the Common Area for an amount not more than the outstanding obligation. If the Common Area is mortgaged through the obligation on a larger tract of land, the holder shall separate the Common Area obligation based upon the ratio of a fair appraisal of the Common Area to fair appraisal of the larger tract. The Common Area appraisal shall take into consideration its limitation of development for commercial and residential use.

ARTICLE XI

SERVITUDES

Section 1. No Amendment to Eliminate Servitudes

Subject to the regulations set forth in Section 2.0905 of St. Tammany Parish Land Use Regulation Zoning Ordinance No. 523, this Declaration cannot be amended to modify or eliminate the servitudes reserved to Declarant without the prior written approval of the Declarant and any attempt to do so shall have no effect. Any attempt to modify or eliminate this section shall also require the prior written approval of the Declarant.

Section 2. Nature of Servitudes

Unless otherwise set forth herein, any servitude reserved to Declarant herein shall be nonexclusive. It is intended that the servitudes provided herein shall run with the land and bind all Owners of Lots.

Section 3. Owners' Rights and Duties; Utilities

Wherever utility and service lines and systems, including, but not limited to, sanitary sewer house connections, house water connections, electricity, gas and telephone lines, television transmission cable, or drainage facilities are installed within the Properties, the Owners of any Lot served by said connections, lines or facilities, the Lot itself, and the Association, if such connections, lines or facilities serve the

Common Areas, shall have -- and there is hereby reserved to Declarant, together with the right to grant and transfer the same to Owners and/or the Association -- a servitude to the full extent necessary for the full use and enjoyment of such portion of such connections which service his/her Lot or the Common Areas, as the case may be, and to enter upon the Common Areas and Lots owned by other Owners, or to have utility companies enter upon the Common Areas and Lots owned by other Owners, in or upon which said connections, lines, systems or facilities, or any portion thereof lie, to repair, replace, and generally maintain the same as and when the same may be necessary; provided, however, that such Owner or the Association or utility company shall promptly repair any damage to a Lot, Unit or the Common Areas caused by such entry as promptly as possible after completion of work thereon.

Wherever utility or service lines are installed within the Properties, which connections serve more than one Lot, the Owner of each Lot served by said connections shall be entitled to the full use and enjoyment of such portions of said connections as are necessary to service his/her Lot.

Each residence situated on a Lot shall be connected to the water and sewer lines as soon as practicable after same are available at the Lot line.

Section 4. Declarant's Servitude for Utilities and Drainage

A. Subject to the regulations set forth in Section 2.0905 of St. Tammany Parish Land Use Regulation Zoning Ordinance No. 523, servitudes over the Properties for the installation and maintenance of utility or service lines or systems, including, but not limited to, electric, telephone, television, water, gas, sanitary sewer lines and drainage facilities as are needed or desirable to service the Properties are hereby reserved by Declarant, together with the right to grant and transfer the same; provided, however, such servitudes shall not unreasonably interfere with the use and enjoyment by the Members of their Lots or the Common Areas.

B. For a period of two (2) years from the date of

conveyance of each Lot, the Declarant reserves a servitude and right on, over, and under the ground within that Lot to maintain and to correct drainage of surface water in order to maintain reasonable standards of health, safety and appearance. Such right expressly includes the right to cut any trees, bushes, or shrubbery, make any gradings of the soil, or take any other action reasonably necessary, following which the Declarant shall restore the affected property to its original condition, as near as practicable. The Declarant shall give reasonable notice of intent to take such action to all affected Owners, unless in the opinion of the Declarant an emergency exists that precludes such notice.

Section 5. Construction and Sales

There is hereby reserved to Declarant, and its assigns, over the Properties as the same may from time to time exist, temporary servitudes for construction, display, maintenance, movement and storage of building materials, signs, building equipment, exhibits and similar objects in connection with the erection and sale or lease of Lots or Units within the Properties; provided, however, that such use shall not be for a period beyond the sales, promotion and construction by Declarant of all Lots or Units within the Properties; and provided further that no such use by Declarant shall otherwise restrict the Members in the reasonable use and enjoyment of the Properties.

Section 6. Association Rights

There is hereby reserved to Declarant, and its assigns, servitudes over the Properties, together with the right and obligation to grant and transfer the same, or the use of the same, for the purpose of permitting the Association to discharge its obligations and exercise its rights and powers under the Governing Documents. Such servitudes include but are not limited to servitudes of passage, use and maintenance over the Properties. Such servitudes also include a right of entry upon, and passage throughout, any Lot.

Section 7. Mineral Servitude

Declarant expressly excepts from this Declaration and all future transfers of Lots by Declarant, and hereby retains, all oil,

gas, and other minerals and all mineral and royalty rights whatsoever within and under all of the Properties, including that property which at any time may be annexed to the Properties under the terms of this Declaration, as well as the right to grant any and all oil, gas, and mineral leases, and accordingly, reserves servitudes over all of the Properties which are or may be related to such purposes; it being understood that Declarant, its successors and assigns, shall have the right to produce oil, gas or other minerals in, under, and from the Properties; provided, however, that Declarant shall have no surface rights as to any Lot conveyed to Declarant.

Section 8. Permanent Servitude for Landscaping and Related Purposes

There shall be and is hereby reserved to the Declarant for so long as it retains its rights as Declarant, a non-exclusive servitude over all Lots and Common Areas for a distance of fifteen (15) feet behind any front or side Lot line which is contiguous to a street (whether public or private) for the purpose of erecting and maintaining street intersection signs, directional signs, temporary promotional signs, plantings, street lights, entrance features and/or "theme areas", lighting, stone, wood, or masonry wall features and/or related landscaping. Exercise of this servitude will be with the consent of the Owner of an affected Lot or the Architectural Review Committee, if the said Owner does not consent.

ARTICLE XII

USE RESTRICTIONS AND OWNERS' OBLIGATIONS

Section 1. Governmental Regulations

Notwithstanding anything expressly or impliedly set forth in the Governing Documents to the contrary, no portion of the Properties shall be used for any purpose or in any manner that is contrary to applicable zoning, health, or building codes, other applicable governmental ordinances, laws, rules or regulations or applicable court orders that are in effect from time to time. Similarly, the Governing Documents are and shall be subject to

applicable law.

Section 2. Nuisances

Non noxious, illegal or offensive trade or activity shall be carried on or upon any Lot and/or Unit in the Subdivision, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood or the public.

Section 3. Oil and Mining Operations

No derrick or other structure designed for the use in boring, mining, quarrying, for water, oil, or natural gas, or precious metals or minerals shall ever be erected, maintained, or permitted upon any Lot in the Subdivision. No oil drilling or development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon any Lot.

Section 4. Subdividing Lots

a. No Lot nor any of the rights and interests appurtenant to such Lot shall be further subdivided or separated into smaller Lots, rights or interests by any Owner, other than Declarant; provided, however, that nothing herein shall be construed to prevent or impair the right of any Owner to mortgage any property owned by him; and, further provided, that nothing herein shall be construed to prevent the division or combination of condominium or cooperative units in accordance with law, or the creation of condominiums or cooperatives, by Declarant subject to the regulations set forth in Section 2.0905 of St. Tammany Parish Land Use Regulation Zoning Ordinance No. 523.

b. In the event an Owner owns more than one lot and subdivides those lots into larger lots, the re-subdivided lot shall be treated as the original multiple number of lots for the purposes of assessments and the amount of assessments due from multiple Lot Owners shall not be decreased or diminished by re-subdividing the Lots.

Section 5. Additions, Alterations or Improvements by Individual Owners

No exterior improvements, alterations, repairs, change

of paint color or exterior finish, excavations, changes of grade or other work which in any way alters the exterior of any Lot, Unit or Common Area or the Improvements located thereon from its natural or improved state existing at the time of initial conveyance to an Owner or of the initial occupancy of the Unit, or in the case of Common Area, conveyance to the Association, shall be made without the prior written approval of the Architectural Review Committee, unless otherwise provided in the Architectural Guidelines adopted by the Board.

Section 6. Commercial Activities

No commercial activities shall be permitted in the Lots and Units located in those portions of the Properties designated as _____ Units, _____ Units, and/or _____ Units, without the express written permission of Declarant, which permission may be withheld in Declarant's sole discretion.

Section 7. Addition of Further Restrictions

Subject to the regulations set forth in Section 2.0905 of St. Tammany Parish Land Use Regulation Zoning Ordinance No. 523 Declarant hereby reserves the right and hereby declares its intention to add and impose by one or more Supplementary Declarations additional covenants, conditions and restrictions with respect to the Properties, or any portion thereof.

ARTICLE XIII

TRANSFER OF REAL PROPERTY

Section 1. Transfer

Upon conveyance of the Common Areas to the Association, the Association shall accept said owner's right, title, and interest in and to that portion of the Common Areas so conveyed, subject to any and all of the following:

(a) Such servitudes and rights-of way on, over or under all or any part thereof as may be reserved to said Grantor or granted to any other person;

(b) Such servitudes and rights-of-way on, over or under all or any part thereof as

may be reserved to said Grantor for maintenance or improvement of any portion of the Common Areas, or for maintenance or improvement of real property contiguous to such areas;

(c) Subject to the regulations set forth in Section 2.0905 of St. Tammany Parish Land Use Regulation Zoning Ordinance No. 523, such servitudes and rights-of-way on, over or under all or any part of such Common Areas as may be reserved to said grantor or granted to or for the benefit of any person, governmental entity, private or public corporation or other organization, for the purpose of constructing, erecting, operating, and maintaining thereon, therein and thereunder, at that time or at any time in the future:

(1) roads, streets, walks, driveways, parkways, and park areas;

(2) underground wires, conduits and other attachments for the transmission of electricity, heating, power, telephone, television and other electronic intelligence transmission services and other related purposes;

(3) sewers, sewage disposal systems, storm water drains, land drains and pipes, water systems, sprinkling systems, water heating and gas lines or pipes, drainage systems, and any and all equipment in connection therewith;

(4) any other facility, utility, system or improvement deemed by Declarant to be necessary

or desirable for the comfort, convenience or safety of the Members;

(d) Servitudes imposed, directly or indirectly, by virtue of any statute, law, ordinance, resolution or regulation of the United States of America, the State of Louisiana, the Parish of St. Tammany, or any other political subdivision or public, governmental or quasi-governmental organization having jurisdiction over such property.

(e) Any rights of an Owner in and to areas then or previously designated as Restricted Common Area.

Section 2. Enforcement

The Association shall have the right to enforce the transfer required in Section 1 through appropriate judicial proceedings.

ARTICLE XIV

RIGHTS OF INSTITUTIONAL LENDERS AND PUBLIC AGENCIES

Section 1. Consents

The Association shall not, without the prior written consent of the Institutional Lenders holding at least two-thirds (2/3rds) of the dollar value of the first mortgages on the Properties:

(a) Amend any provisions of the Declaration or any Supplementary Declaration that relate to the basis for Owner's Assessments, subject to the regulations set forth in Section 2.0905 of St. Tammany Parish Land Use Regulation Zoning Ordinance No. 523, or

(b) Mortgage, partition, subdivide, transfer or otherwise dispose of any of the Common Areas or Improvements thereon (except

ARTICLE XV

GENERAL PROVISIONS

Section 1. Revocation of Previous Building Restrictions

Declarant hereby revokes all covenants, conditions and restrictions to which the Properties might be subject prior to the recordation of this Declaration. To the extent that such might be necessary, to accomplish this intent, this section shall be deemed to take effect prior to every other provision in this Declaration.

Section 2. Enforcement

A. Upon any violation or breach of any of the provisions of this Declaration, and subject to the provisions of Section 9 of Article IV, the Declarant, the Association or the Architectural Review Committee, or agents or representatives thereof, may enter upon any portion of the Properties where such violation exists and may alter, correct, modify, remedy or summarily abate and remove, at the expense of the Owner or Owners violating or breaching the same, any thing or condition that may exist thereon contrary to the provisions hereof. In taking the above mentioned action, the Declarant, the Association, or said agents or representatives shall not thereby be deemed to have trespassed and shall not be liable to the Owner or Occupant of such portion of the Properties for any such entry or other action taken pursuant to this subparagraph or elsewhere in the Founding Documents.

B. Violation of any of the provisions of this Declaration may be enjoined, abated, restrained or otherwise remedied by any lawful means or proceedings by the Declarant, the Association, the Architectural Review Committee, any agent or representatives of the aforementioned entities, or the Owners and their respective heirs, successors, and assigns. Proceedings to restrain such violations may be brought at any time that such

violation appears reasonably likely to occur in the future. In the event of proceedings brought by the Declarant, the Association or the Architectural Review Committee to enforce any provision, restrain any violation, or determine the rights or duties of any person under this Declaration, and if the party bringing such action prevails in such proceedings, it may recover a reasonable attorneys' fee to be fixed by the court in addition to court costs and any other relief awarded by the court in such proceedings and such incurred expenses shall be assessed as Special Assessments against the Owner and Lot in question.

C. The remedies provided under this Declaration shall be in addition to all other remedies that the Association may have under the law.

Section 3. Nonwaiver

The failure of the Declarant, the Association, the Architectural Review Committee, any Owner or any other person entitled to enforce any covenant, condition, or restriction contained in the Governing Documents shall never be deemed a waiver of the right of the Declarant, the Association, the Architectural Review Committee, or any such person to enforce the same thereafter.

Section 4. Cumulative Remedies

All rights, options, and remedies of Declarant, the Architectural Review Committee, the Owners, and the Association, under this Declaration are cumulative, and no one of them shall be exclusive of any other, and Declarant, the Architectural Review Committee, the Owners, and the Association shall have the right to pursue any one or all of such rights, options, and remedies or any other remedy or relief that may be provided by law, whether or not stated in this Declaration.

Section 5. Promotion and Sale by Declarant

Nothing contained in this Declaration shall prohibit the Declarant from such promotion, advertisement, sales, exhibition or other promotional activity as shall be reasonably necessary in order to develop and sell the Properties.

Section 6. Term of This Declaration

Subject to the right to amend or terminate in whole or in part this Declaration or any provision herein pursuant to the procedures dictated in Section 8 of this Article XIV and subject to the regulations set forth in Section 2.0905 of St. Tammany Parish Land Use Regulation Zoning Ordinance No. 523, each of the covenants, conditions and restrictions set forth in this Declaration shall continue and run with the land commencing upon the recordation of this Declaration in the office of the Clerk of Court, St. Tammany Parish, Louisiana, and extending until the anniversary date of said recordation during the year 2014 A.D. ("the Anniversary Date") and thereafter shall be automatically extended for successive terms of ten (10) years each, unless at the expiration of any ten (10) year extension term, this Declaration is expressly terminated by an instrument signed by not less than seventy-five (75%) percent of the votes of the Members. An act of termination must be properly recorded in the conveyance records of St. Tammany Parish, Louisiana to be effective.

Section 7. Covenants to Run With Land

Each of said covenants, conditions, and restrictions shall run with and bind the Properties and shall inure to the benefit of and be enforceable by the Declarant, the Association, any Owners, the Architectural Review Committee, and the respective heirs, successors, and assigns of each. Each purchaser of any Lot, part or parcel of or in the Properties--by acceptance of a deed, contract of sale, or other conveyance for any such lot, part or parcel -- shall be conclusively deemed to have consented to and agreed for him/herself and his/her successors to observe, perform, and be bound by said covenants, conditions and restrictions.

Section 8. Amendment or Termination of Declaration

Subject to the other provisions of this Declaration, these covenants, conditions and restrictions may be amended or terminated, in whole or in part, as to all or any portion of the Properties subject hereto, at any time, as follows:

(a) Any amendment or termination of this Declaration may be effective if at least a majority of the Parcel Representatives to

Master Association vote affirmatively therefore, along with the approval of the Board of Directors, together with evidence of the required Approvals which may be necessary under Article XIV, subject to the regulations set forth in Section 2.0905 of St. Tammany Parish Land Use Regulation Zoning Ordinance No. 523;

(b) Any provision which affects the rights or powers of the Declarant cannot be amended or terminated without the consent of Declarant;

(c) Any such amendment or termination shall be effective when executed by the President and Secretary of the Association who shall certify that the amendment or termination has been approved as hereinabove provided, and recorded in the conveyance records of St. Tammany Parish, Louisiana;

(d) Unless and to the extent amended or terminated as herein provided all of the provisions of this Declaration shall be automatically renewed and shall remain in full force and effect with the beginning of each successive ten (10) year term after the Anniversary Date of this Declaration;

(e) Upon and after the effective date of any amendment, it shall be effective and binding upon all persons, firms, and corporations then owning an interest in any Lot in or of the Properties to the same extent and effect as if set forth in this Declaration, and shall run with and be appurtenant to the land and bind all persons holding by, thorough, or under any one or more of them.

Section 9. Major/Minor Amendment of Declaration

Notwithstanding anything contained herein to the contrary, in the event Declarant and/or the Association intends to make a major amendment to this Declaration, Declarant and/or the Association shall first submit revised plans to the Department of Development for the Parish of St. Tammany. In accordance with Section 2.0905 of St. Tammany Parish Land Use Regulation Zoning Ordinance No. 523, the proposed major amendments shall be reviewed by the St. Tammany Parish Department of Development staff, a public hearing shall be established for the review of changes by the Zoning Commission and subsequently by the Police Jury. Major amendments to this Declaration shall include: (i) the use of the land; (ii) the use, bulk and location of significant structures; (iii) the quantity, quality and location of open spaces; and (iv) intensity of use and/or the change or density. In the event Declarant and/or the Association intends to make any minor amendments to this Declaration, which minor amendments shall be construed as any other changes not considered major amendments, such minor amendments shall be submitted for review by the Declarant and/or the Association to the Department of Development and may be put into effect only after a letter of no objection is filed and submitted from the Department of Development to the Chairman of the Zoning Commission.

Section 10. Certain Rights of the Declarant

Subject to the regulations set forth in Section 2.0905 of St. Tammany Parish Land Use Regulation Zoning Ordinance No. 523, and notwithstanding anything to the contrary contained in this Declaration, for such time as the Declarant shall own at least one Lot:

(A) Declarant's rights, powers and interests shall not be prejudiced by any of the following actions unless it shall, in writing, join in such action:

(a) There shall be no amendments to the
Founding Documents which:

(1) Discriminate, tend to
discriminate against, or substantially alter

its rights as an Owner or as Declarant.

(2) Change Article I, DEFINITIONS, in a manner that alters the rights, powers or status of the Declarant.

(3) Alter the rights or powers of the Declarant under Article II, as regards annexation of additional properties.

(4) Alter the character or rights of membership or the character or rights of the Declarant as set forth in Article III.

(5) Alter previously recorded or written agreements with public or quasi-public agencies as regards servitudes and rights-of-way.

(6) Deny the right to convey Common Areas to the Association.

(7) Alter the rights as set forth herein relating to design controls or architectural standards.

(8) Alter the basis for Assessments.

(9) Alter the provisions of the protective covenants and building restrictions as set forth in Article XII.

(10) Alter the number or selection of the Board as established by the Bylaws.

(11) Alter or amend the Declarant's rights and powers as they appear under this Article and elsewhere in the Founding Documents.

(b) Limitations. As long as the Declarant has an interest in developing the Properties as defined in Article I hereof, the Association may not use its financial resources to defray any costs of opposing Declarant's activities. Nothing in this

Section shall be construed to limit the rights of the Members to act as individuals or in affiliation with other Members or groups.

(B) Declarant shall have the right to non-exclusively assign any of its rights hereunder to any third party(ies), while retaining said rights for itself.

(C) Subject to the regulations set forth in Section 2.0905 of St. Tammany Parish Land Use Regulation Zoning Ordinance No. 523, Declarant hereby reserves for itself and shall have the absolute and unconditional right, from time to time and at any time, to alter, modify, change, revoke, rescind, or cancel any or all of the covenants, conditions, and/or restrictions contained in the Founding Documents.

Section 11. No Impairment of Mortgage Liens

No breach of these covenants, conditions and restrictions, nor the enforcement of any lien provisions herein, shall defeat, affect, impair, or render invalid the lien or charge of any Mortgage, lien or other security obligation made in good faith and for value encumbering any Lot, but all of said covenants, conditions and restrictions of this Declaration shall be binding upon or effective against any Owner whose title is derived through foreclosure, or otherwise, with respect to a Lot.

Section 12. Severability Clause

If a court of competent jurisdiction shall hold invalid or unenforceable any part or all of any of these covenants, conditions or restrictions, such holding shall not impair, invalidate or otherwise affect the remainder of this Declaration, which shall remain in full force and effect.

Section 13. Exemption From Covenants, Conditions and Restrictions

Nothing in these covenants, conditions or restrictions shall limit the right of the Declarant to complete excavation, grading and construction of Improvements on any Lot, part or parcel of or in the Properties owned by Declarant, or to alter the foregoing, or to construct additional Improvements as the Declarant may from time to time deem, in its sole and absolute discretion,

advisable in the course of development of the Properties for so long as any Lot, part or parcel of or in the Properties remains unsold. So long as any Lot, part or parcel of or in the Properties remains unsold, the Declarant shall have the right to make reasonable use of any and all Common Areas and Restricted Common Areas within the Properties for ingress, egress, sales, development, and construction purposes, including but not limited to, the use of all of the areas within Properties now or hereafter classified as streets, for ingress, egress, and travel for any and all reasonable purposes, which shall include without limitation those purposes incidental to construction, development and/or sale of the Properties or any portion thereof.

Section 14. Nonliability of Officials

To the fullest extent permitted by law, neither the Board, the Architectural Review Committee, any other committee of the Association, any officer of the Association, any member of such Board or committee, nor the Declarant shall be liable to any Member or to the Association for any damage, loss or prejudice suffered or claimed on account of any decision, approval or disapproval of plans or specifications (whether or not defective), course of action, act, omission, error, negligence or the like made in good faith, which such Board, committees, officers, Declarant or persons reasonably believed to be within the scope of their duties, rights or powers.

Section 15. Subordination

Any lien granted or claimed under provisions of this Declaration, is expressly made subject and subordinate to the rights of any mortgage or lien encumbering all or a portion of the Properties made in good faith and for value, and no such lien herein shall in any way defeat, invalidate or impair the obligation or priority of such mortgagee unless the mortgagee shall expressly subordinate his/her interest, in writing, to such lien.

Section 16. Leases

Any agreement for the leasing or rental of a Lot, Unit or any other portion of the Properties, other than a lease to which Declarant is a party, hereinafter referred to as a "lease", shall

provide that the terms of such lease shall be subject to all provisions of the Governing Documents. No lease shall have an initial term of less than six (6) months, except as otherwise provided by resolution of the Board. Said lease shall further provide that any failure by the lessee thereunder to comply with other terms of the Governing Documents shall be a default under the lease, and the Association shall have the right, along with the Owner who is a party to such lease, to declare such a default and pursue all available remedies, including eviction. All leases shall be in writing and the Owner shall furnish a copy of any lease to the Association, prior to the lessee's taking actual possession of the leased premises. Any Owner who shall lease his/her Lot and/or his/her Unit shall be responsible for assuring compliance by such Owner's lessee with the Governing Documents. Upon the commencement and termination of a lease, the Owner shall furnish to the Association, in writing, the name of the tenant and all those residing in the leased Unit. Such notice shall be given at least fifteen (15) days prior to commencement or termination of a lease. In no event shall any Lot owned by an Individual Owner be used for transient or hotel purposes. This section shall not apply to Declarant, or to any person designated in writing by Declarant to be exempted from any of the provisions contained herein.

Section 17. Mailing Address for Notice

Each Member shall file his/her correct mailing address with the Association and shall notify the Association promptly in writing of any subsequent change of address. The Association shall maintain a file of such addresses. A written or printed notice, deposited in the United States mail, postage prepaid, and addressed to any member at the last address filed by such Member with the Association, shall be sufficient and proper notice to such Member whenever notices are required by this Declaration. The address of Declarant and the Association for the purpose of all notices required or permitted to be given hereunder are:

(1) DECLARANT:

Clipper Island, L.L.C.
433 Metairie Road, Suite 608
Metairie, LA 70005

(2) ASSOCIATION:

Clipper Estates
Homeowners' Association, Inc.
433 Metairie Road, Suite 608
Metairie, LA 70005

or such other address as Declarant or the Association shall specify from time to time by supplemental written notice mailed to the other party listed above and placed on file with the Association at its principal office.

Section 18. Interpretation

The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a planned development according to a uniform plan for the development of a community and the development and maintenance of the Common Areas by the Declarant and the Association. The headings of the Articles and Sections herein contained are for convenience only and shall not be used in the interpretation of this Declaration.

THUS DONE AND PASSED, in my office in Metairie, Louisiana, on the day, month and year first above written, in the presence of competent witnesses, who hereunto sign their names with the said appearer and me, Notary after reading of the whole.

WITNESSES:

CLIPPER ISLAND, L.L.C.

[Handwritten Signature]
[Handwritten Signature]

BY: [Handwritten Signature]

[Handwritten Signature]
NOTARY PUBLIC


EXHIBIT "A"

CERTIFICATE OF AUTHORITY

The undersigned hereby states that he is the Managing Partner of Clipper Island, L.L.C. That pursuant to the Articles of Organization of Clipper Island, L.L.C., the Articles of Amendment to the Articles of Organization of Clipper Island, L.L.C. and the Operating Agreement of Clipper Island, L.L.C., (hereinafter the "Articles"), registered in the Office of the Clerk of Court for the Parish of St. Tammany, State of Louisiana in Instrument No. 927581 on November 2, 1994, Stanford H. Latter was named the Initial Operating Manager. That as the Initial Operating Manager, Stanford H. Latter is authorized to sell, exchange, lease, mortgage, pledge, alienate or encumber any immovable property owned by this limited liability company.

That by virtue of the Articles, Stanford H. Latter is hereby authorized to execute the Declaration of Covenants, Conditions, and Restrictions, Clipper Estates Subdivision, St. Tammany Parish, Louisiana, ("Declaration"), and record the same upon property owned by this limited liability company within the State of Louisiana. Said property is located in Sections 13 & 14, T 9 S, R 14 E, Ward 9, St. Tammany Parish, Louisiana. Stanford H. Latter is authorized, empowered, and granted the authority by the Articles to determine all of the specific terms, stipulations, and conditions of the Declaration. Stanford H. Latter is further authorized to enter into any other collateral agreements which are necessary in order to complete the Declaration. Clipper Island, L.L.C. does hereby bind itself for all of the acts of the Initial Operating Manager concerning the signing of the Declaration.

This Certificate is made in accordance with the provisions of L.S.A.-R.S. 12:1317.



CLIPPER ISLAND, L.L.C.
BY: STANFORD LATTER,
INITIAL OPERATING MANAGER

EXHIBIT "B"

LEGAL DESCRIPTION:

A certain Parcel of land located in Sections 32 and 33, Township 9 South, Range 14 East, ST. Tammany Parish, Louisiana, more fully described as follows, to-wit:

From the Southwest corner of Section 44, Township 9 South, Range 14 East, run North 2435.08 feet, East 2186.84 feet, South 57 degrees 05 minutes 54 seconds West, 683.52 feet to the POINT OF BEGINNING, thence

South 57 degrees 05 minutes 54 seconds West, 1246.81 feet, North 69 degrees 54 minutes 06 seconds West, 109.56 feet, South 61 degrees 20 minutes 00 seconds West, 165.45 feet, South 73 degrees 08 minutes 15 seconds West, 62.43 feet, North 32 degrees 54 minutes 06 seconds West, 85.00 feet, South 57 degrees 05 minutes 54 seconds West, 496.91 feet, North 32 degrees 54 minutes 06 seconds West, 100.00 feet, North 57 degrees 05 minutes 54 seconds East, 316.91 feet, North 32 degrees 54 minutes 06 seconds West, 182.00 feet, North 57 degrees 05 minutes 54 seconds East, 1627.59 feet, South 55 degrees 37 minutes 31 seconds East, 45.01 feet, South 62 degrees 25 minutes 31 seconds East, 147.66 feet, South 32 degrees 54 minutes 06 seconds East, 313.96 feet to the POINT OF BEGINNING.

LESS AND EXCEPT PARCELS HOA-1, HOA-2 AND HOA-3.

