

EXHIBIT I

DECLARATION CREATING AND
ESTABLISHING A CONDOMINIUM
PROPERTY REGIME FOR
:
:
UNITED STATES OF AMERICA
STATE OF LOUISIANA

LA JEANNINE CONDOMINIUM

BY

Gary R. Williams, Peter Scott Michell,
Page McClendon Michell
:
PARISH OF ORLEANS

STATE OF LOUISIANA

BE IT KNOWN, that on this 1st day of November, in the year
One Thousand Nine Hundred Eighty-Three:

BEFORE ME, ROBERT B. SUTHERLIN, a Notary Public, duly commissioned and
qualified in and for the Parish of Orleans, State of Louisiana, and in the
presence of the witnesses hereinafter named and undersigned.

PERSONALLY CAME AND APPEARED:

GARY R. WILLIAMS, a person of the full age of majority and resident of the
Parish of Orleans, State of Louisiana, who is not now married nor has he ever
been married.

PETER SCOTT MICHELL, a person of the full age of majority and resident of
the Parish of Orleans, State of Louisiana who has been married but twice,
first to DONNA KAY BERGER, from whom he was divorced by judgment of the
Civil District Court, Parish of Orleans, State of Louisiana on August 17,
1978, proceeding number 78-10789 and secondly to PAGE MCCLENDON with whom
he is presently living and residing.

PAGE MCCLENDON MICHELL, a person of the full age of majority and a resident
of the Parish of Orleans, State of Louisiana who has been married but twice,
first to BYARD EDWARDS, JR. from whom she was divorced by judgment of the
Judicial District Court, Division "C", Parish of St. Tammany, State of
Louisiana, Suit No. 75199 on July 19, 1983 and secondly to PETER SCOTT
MICHELL with whom she is presently living and residing.

RECITALS, INTENT AND PURPOSES

WHEREAS, Declarant is the owner of a certain tract of land located in
the Second District of the City of New Orleans, bounded by Governor Nicholls,
Barracks, Burgundy, and Rampart Streets (hereinafter the "Property") as
more fully described on Exhibit A-1 annexed hereto.

WHEREAS, by this Condominium Declaration, it is intended to divide
the Property into separate parcels of immovable or real property which, in
accordance with the provisions herein contained, shall be subjected to the
benefits and burdens of a Condominium Property regime (hereinafter referred
to as "condominium") to be known as LA JEANNINE CONDOMINIUM.

NOW THEREFORE,

STATEMENT OF DECLARATION. Declarant hereby declares on behalf of
itself, its successors, grantees, and assigns, as well as on behalf of any
and all persons having, acquiring or seeking to have or acquire any interest
of any nature whatsoever in and to any part of the Property that the property
from and after the date of recordation of this Condominium Declaration in the
Office of the Clerk of Court and ex-officio Register of Conveyances in and for
the Parish of Orleans, State of Louisiana, shall be and continue subject
to each and all of the terms hereof until this Condominium Declaration is
terminated or abandoned in accordance with provisions herein elsewhere
contained. The Property is submitted to the provisions of the Act subject to
easements and servitudes affecting the Parcel of record in the Orleans
Parish mortgage and conveyance records.

I. Definitions.

1. Act. The Louisiana Condominium Act, La. R.S. 9: 1121, et seq
as now enacted and hereafter amended.

2. Association. The La Jeannine Condominium Association, Inc., a Louisiana non-profit corporation, or any successor entity, composed of all the Unit Owners and the entity which shall jointly be responsible for the administration and operation of the Property. The Articles of Incorporation are annexed hereto and made a part hereof as Exhibit "B".
3. Board. The Board of Directors of the Association.
4. Budget. That certain budget attached hereto as Exhibit "D" and by this reference made a part hereof.
5. Building. The structure (whether one or more) located on the Parcel and forming part of the Property and containing Units.
6. By-Laws. The By-Laws of the Association, attached hereto as Exhibit "C" and by this reference made a part hereof, as amended from time to time.
7. Common Elements. All that part of the Property (movable or immovable property) which is not within or a part of the individual Units as such Units are shown on the attached Plat (Exhibit A) or described herein, or which exists within Units by virtue of a servitude created herein, and without limiting the generality of the foregoing, shall include those items defined as "common elements" in the Act, including the following:
 - a. All foundations, bearing walls and columns, roofs, halls, stairways, and entrances and exits or communication ways;
 - b. All roofs, and gardens, except as otherwise herein provided or stipulated;
 - c. All compartments or installations of central services such as power, light, gas, cold and hot water;
 - d. All recreational areas, and the like existing for common use, and;
 - e. All other elements of the Building or Parcel desirably or rationally of common use or necessary to the existence, upkeep and safety of the condominium regime established by this Declaration.
8. Common Expenses. The expenses for which the Unit Owners will be assessed by the Association, which expenses shall include, but are not limited to, the actual or estimated costs of:
 - a. Ad valorem taxes and other taxes of all kinds which may be levied against the Condominium Property and which are not levied against an individual unit or unit owner;
 - b. Maintenance, management, operation, repair, and replacement of and additions to the Common Elements and those parts of the Units as to which, pursuant to other provisions hereof, it is the responsibility of the Association to maintain, repair, and replace;
 - c. Utilities incurred in operation of the Units and the Common Elements not otherwise paid by any individual Unit or Unit Owners;
 - d. Management and administration of the Association including, without limiting the same, compensation paid by the Association to an accountant (s), attorney (s), and other employees;
 - e. Liability and casualty insurance carried by the Association with respect to designated parts of the Condominium Property;
 - f. Any other item held by or in accordance with this Condominium Declaration or recorded amendment thereto, or the By-Laws to be a Common Expense;
 - g. Expenses agreed upon as common expenses by the Unit Owners;

9. Condominium. The entirety of the Property as subjected to a condominium property regime by this Declaration pursuant to the provisions of the Act.
10. Condominium Documents. This Condominium Declaration and the Exhibits annexed hereto as the same from time to time may be amended. Said Exhibits are as follows:
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|----------------|--|
| Exhibit "A"- | Plat of Survey of Land and Building |
| Exhibit "A-I"- | Legal Description of the Parcel |
| Exhibit "B"- | Articles of Incorporation of the Association |
| Exhibit "C"- | By-Laws of the Association |
| Exhibit "D"- | Budget |
| Exhibit "E"- | Percentages of undivided ownership of the Common Elements appurtenant to each unit, and percentage obligations for common expense assessments of individual Units. |
11. Declarant. Gary R. Williams, Peter Scott Michell, and Page McClendon Michell
12. Declaration. This instrument, by which the Property is submitted to the provisions of the Act, as hereinafter provided, and as such Declaration may be amended from time to time.
13. Family Group. A group consisting of all Occupants residing in a Unit or more than one Unit used together.
14. Limited Common Elements. All Common Elements serving exclusively a single Unit or one or more adjoining Units as an inseparable appurtenance thereto, the enjoyment, benefit or use of which is reserved to the lawful Occupants of such Unit or Units either in this Declaration, on the Plat or by the Board. Limited Common Elements shall include, but shall not be limited to, alleyways, perimeter fences, porches, and attic areas accessible only from a Unit and storage areas appurtenant to a specific Unit only, as well as "air handlers", pipes, ducts, electrical wiring, intercom system, and conduits located entirely within a Unit or adjoining Units and serving only such Unit or Units and such portions of the perimeter walls, floors and ceilings, doors, vestibules, windows and entryways, and all associated fixtures and structures therein, as lie outside the Unit boundaries. The maintenance of these limited common elements is delegated to the Unit that they benefit as if owned in fee simple.
15. Majority or Majority of the Unit Owners. The owners of more than fifty (50%) percent of the undivided ownership of the Common Elements. Any specific percentage of Unit Owners means that percentage of Unit Owners who in the aggregate own such specified percentage of the entire undivided ownership of the Common Elements.
16. Mortgage. A Mortgage covering a Unit and the undivided interest in the Common Elements appurtenant thereto.
17. Mortgagee. A person secured by a Mortgage.
18. Occupant. A person or persons in possession of a Unit, regardless of whether said person is a Unit Owner.
19. Parcel. Those certain parcels or tracts of ground which are the subject of this Declaration and which are identified and described on Exhibits "A" and "A-I", attached hereto and by this reference made a part hereof.
20. Person. Any natural person, firm, corporation, partnership, association, trust or other legal entity capable of holding title to immovable property.
21. Plat. The plat of Survey of Land and Building and the floor and elevation plans and drawings of all Units in the Property, consisting of Exhibits A and Exhibit III.

22. Property. All the land, property, and space comprising the Parcel, and all improvements and structures erected, constructed or contained therein or thereon, including the Building and all easements, rights and appurtenances belonging thereto, and all furniture, furnishings, fixtures, and equipment intended for the mutual use, benefit or enjoyment of the Unit Owners.

23. Units. An enclosed space consisting of one or more rooms occupying all or part of a floor or floors in the Building, which enclosed space is not owned in common with the Unit Owners of other Units. Each Unit is designated as shown on the attached Plat of Survey of Land and Building (Exhibit "A", and the boundaries of each Unit shall be and are the interior surfaces of its perimeter walls, windows, exterior doors, floors or ceilings (such as, but without limitation, paint, wallpaper, vinyl, wall or floor coverings and carpets); interior walls; and all utility pipes, lines, systems, fixtures, appliances and air-conditioning compressors and blowers servicing only that Unit (whether or not within the boundaries of that Unit), provided, however, that no pipes, drains, wires, conduits, ducts, flues, and shafts contained within a Unit and forming a part of any system serving more than one Unit or the Common Elements shall be deemed to be part of said Unit. Notwithstanding the above definition, the air conditioning compressors and certain of the hot water heaters are located outside of the unit boundary and the definition of a unit shall include the air conditioner compressors and hot water heater servicing the unit, and the Unit Owner shall be responsible for its upkeep and maintenance.

24. Unit Owner. The person or persons whose estates or interest, individually or collectively, aggregate ownership of a Unit and of the undivided interest in the Common Elements appurtenant thereto, but shall not include those having an interest in a Unit merely as security for the performances of an obligation. Unless specifically provided otherwise herein, Declarant shall be deemed a Unit Owner so long as it is the legal title holder of any Unit.

II. Plat. The Plat sets forth the locations and other data, as required by the Act, with respect to (1) the Parcel and its exterior boundaries; (2) the Building and (3) each Unit, its precise boundaries and the Limited Common Elements appurtenant thereto.

III. Units.

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

(b) The boundaries of each Unit shall be the interior surfaces of its perimeter walls, windows, exterior doors, floors and ceilings, exclusive of any finishing materials, applied or affixed to the interior surfaces of the perimeter walls, floors or ceilings such as, but without limitation, paint, wallpaper, vinyl, wall or floor coverings and carpets.

(c) Except as provided by the Act and in this Declaration, no Unit Owner shall by deed, plat, court decree or otherwise, subdivide or in any other manner cause his Unit to be separated into any units or parcels different from the whole Unit as shown on the Plat.

IV. COVENANT AGAINST PARTITION. In order to effectuate the intent hereof and to preserve the Condominium and the condominium method of ownership, the Common Elements shall remain undivided and no person, irrespective of the nature of his interest in the Common Elements, shall bring any action or proceeding for partition or division of the Common Elements or any part thereof until the termination of the condominium regime established by this Condominium Declaration in accordance with provisions herein elsewhere contained or until the Property is no longer tenantable, whichever first occurs, and in any event, all mortgages must be paid in full or all mortgagees must consent in writing, prior to bringing an action for partition.

V. ASSOCIATION OF UNIT OWNERS.

(a) Organization. There has been or will be formed an Association named La'Jeannie Condominium Association, Inc., a Louisiana non-profit corporation which Association shall be the governing body for all of the Unit Owners, for the maintenance, repair, replacement, administration and operation of the Condominium, as provided in the Act, this Declaration and the By-Laws. The Board of Directors of the Association shall be elected and shall serve in accordance with the provisions of the By-Laws. The fiscal year of the Association shall be determined by the Board, and may be changed from time to time as the Board deems advisable. The Association shall not be deemed to be conducting a business of any kind. All activities and all funds received by the Association shall be held and applied by it for the use and benefit of Unit Owners in accordance with the provisions of this Declaration and the By-Laws. Each unit owner shall be a member of the Association so long as he is a Unit Owner. A Unit Owner's membership shall automatically terminate when he ceases to be a Unit Owner. Upon the conveyance or transfer of a Unit Owner's ownership interest to a new Unit Owner, the new Unit Owner shall simultaneously succeed to the former Unit Owner's membership in the Association. The aggregate number of votes for all members of the Association shall be 5 and shall be divided among the respective Unit Owners in accordance with their respective percentages of ownership interest in the Common Elements as set forth in Exhibit "E" hereto.

(b) Use by Declarant. During the period of sale by the Declarant of any units, the Declarant and its agents and employees, shall be entitled to access, ingress to and egress from the Building and Property as may be required for purposes of sale of Units. While the Declarant owns any of the units and until each Unit sold by it is occupied by the purchasers, the Declarant and its employees may use and show one or more of such unsold or unoccupied Units as a model Unit or Units and may use one or more of such unsold or unoccupied Units as a sales office, and may maintain customary signs in connection therewith.

(c) Non-liability of the Directors, Board, Officers, and Declarant. Neither the Directors, Board, or Officers of the Association nor Declarant shall be personally liable to the Unit Owners for the mistake of judgement or for any acts or omissions of any nature whatsoever as such Directors, Board, Officers, or Declarant, except for any acts of omissions found by a Court to constitute gross negligence or fraud. The Unit Owners shall indemnify and hold harmless each of the directors, Board, Officers, and/or Declarant, and their respective heirs, executors, administrators, successors and assigns in accordance with the provisions of the By-Laws, and the Association shall carry such insurance as the Board may prescribe to protect the directors, Board, officers or Declarant under said indemnity.

(d) Board's Determination Binding. In the event of any dispute or disagreement between any Unit Owners relating to the Property, or any questions of interpretation or application of the provisions of the Declaration or By-Laws, such dispute or disagreement shall be submitted to the Board. Their determination of such dispute or disagreement by the Board shall be binding on each and all such Unit Owners, subject to the right of Unit Owners to seek other remedies by law after such determination by the Board.

VI. OWNERSHIP OF THE COMMON ELEMENTS. Each Unit Owner shall be entitled to the percentage of ownership in the Common Elements allocated to the respective Unit owned by such Unit Owner, as set forth in Exhibit "E" attached hereto and by this reference made a part hereof. The percentages of ownership interests set forth in Exhibit "E" shall remain constant unless hereafter changed by amendment to this Declaration, as provided in subparagraph III (e) or Paragraph XVII or XXI of this Declaration, or unless hereafter changed by amendment to this amendment is recorded in accordance with the Act and this Declaration. Said ownership interest in the Common Elements shall be an undivided interest owned by the Unit Owners in accordance with their respective percentages of ownership. Except as provided in Act and this Declaration, the ownership interest in the Common Elements shall remain undivided, and no Unit Owner shall bring any action for partition or division of the Common Elements, and any agreement or covenant transferred, encumbered or otherwise affected separate from the percentage of ownership in the Common Elements corresponding to said Unit. The undivided percentage of ownership in the Common Elements corresponding to any Unit shall be deemed conveyed, transferred, encumbered or otherwise affected with said Unit, even though the legal description in the instrument conveying, transferring, encumbering or other affecting said

Unit may refer only to the fee title to that Unit and not expressly mention or describe the percentage of ownership in the Common Elements corresponding to that Unit, or may refer to an incorrect percentage for that Unit.

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

VIII. BUDGET.

(a) Initial Assessment. Each purchaser of a Unit from Declarant shall be required to deposit with the Association a sum equal to two months' assessment to the Unit based upon the First Budget to establish a reserve fund for operation and maintenance of the Condominium. No Unit Owner shall be entitled to withdraw this deposit so long as the Condominium shall exist. The Declarant shall have no responsibility to make such deposit except as to any Unit for which the deposit is not made by the purchaser from Declarant.

(b) Common Expenses. Each Unit Owner, including the Declarant, shall pay his proportionate share of the common expenses; provided, however, the terms and provisions of this subparagraph (b) are subject to the terms and provisions of subparagraph (c) below. Except for its responsibilities as a Unit Owner, as provided herein, the Declarant shall not have any responsibility for the maintenance, repair or replacement of any part of the Common Elements after the date this Declaration is recorded. Such proportionate share of the common expenses for each Unit Owner shall be in accordance with his percentage of ownership in the common Elements as set forth in Exhibit E. Payment of common expenses, including any prepayment thereof required by contract for sale of a Unit, shall be in such amounts and at such times as determined in the manner provided in the By-Laws. No Unit Owner shall be exempt from payment of his proportionate share of the common expenses by waiver or non-use or waiver of enjoyment of the Common Elements or Limited Common Elements or by abandonment of his Unit. If any Unit Owner shall fail or refuse to make any such payment of the common expenses when due, the amount thereof together with interest thereon at the maximum rate as may then be permitted under the laws of the State of Louisiana, accruing from and after the date that said common expenses become due and payable, shall constitute a lien on the interest of such Unit Owner in the Property and his Unit.

(c) Owner's Liability for and Declarant's Guarantee Relating to Common Expenses During the First Year. The Budget sets forth and describes for each Unit within the Condominium an amount designated therein as the "Monthly Assessment." Notwithstanding anything contained in this Declaration to the contrary (including, but without limitation, the terms and provisions of subparagraph (b) above), for a period (hereinafter referred to as the "Initial Period") of one year from and after the first day of the calendar month next following the date of recording of this Declaration, each Unit Owner shall pay and be responsible for monthly, and his proportionate share of the common expenses shall be deemed to be, his respective Monthly Assessment. If the total may be greater than the actual common expenses incurred during the Initial Period, such excess shall be thereafter used as the Board may prescribe. However, if the total Monthly Assessments payable during the Initial Period are less than the actual common expenses incurred during the Initial Period, such deficiency shall be paid solely by Declarant, it being agreed that Declarant hereby guarantees the payment of all common expenses for the Initial Period which may be in excess of the total Monthly Assessments payable during such period.

In consideration of the foregoing covenant and guarantee by Declarant, Declarant shall not be obligated to pay during the Initial Period any Monthly Assessments attributable to any Units owned by Declarant.

(d) Annual Budgets. Annual budgets for each fiscal year of the Association shall be prepared and adopted by the Board pursuant to the By-Laws; provided, however, the Board shall not adopt a budget requiring assessments for common expenses in an amount exceeding one hundred fifteen percent (115%) of the common expenses for the preceding year unless the same is approved by a majority of the Unit Owners.

(e) Metered Utilities. Each Unit Owner shall also pay for all utility services, including electricity and other utility services (including telephone), if any, separately metered for such Unit Owner's Unit. Each Unit Owner shall make such payments for separately metered utility services to the public utility company providing such utility service if provided directly to the Unit Owner or the Association if such utility services are not separately metered or submetered for the Units.

(f) Enforcement of Lien. The Board may bring an action at law against the Unit Owner personally obligated to pay the same, for collection of his unpaid proportionate share of the common expenses, or foreclose the lien against the Unit or Units owned by such Unit Owner, and interest, costs,

and reasonable attorney's fees of any such action shall be added to the amount of such assessment. Each Unit Owner, by his acceptance of a deed to a Unit, hereby expressly vests in the Board or its agents the right and power to bring all actions against such Unit Owner personally for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens and each such Unit Owner hereby expressly grants to the Board a power of sale in connection with said lien. The lien provided for in this section shall be in favor of the Board and shall be for the common benefit of all Unit Owners. The Board acting on behalf of the Unit Owners shall have the power to bid upon an interest foreclosed at foreclosure sale and to acquire and hold, lease, mortgage and convey same.

(g) Mortgagee Protection. The lien for common expenses payable by a Unit Owner shall be subordinated to the lien for a recorded first Mortgage on the interest of such Unit Owner, except for the amount of the proportionate share accruing after the Mortgage thereunder either takes possession of the Unit encumbered thereby, accepts a conveyance of any interest therein (other than as security) or forecloses its Mortgage. This subparagraph (g) shall not be amended, changed, modified or rescinded without the prior written consent of all Mortgagees of record.

IX. MORTGAGES. Each Unit Owner shall have the right, subject to the provisions herein, to make individual Mortgages on his respective Unit together with his respective ownership interest in the Common Elements. No Unit Owner shall have the right or authority to make or create or cause to be made or created from the date hereof any Mortgage or other lien on or affecting the Property or any part thereof, except of his own Unit and the respective percentage interest in the Common Elements appurtenant thereto.

X. SEPARATE REAL ESTATE TAXES. Taxes, assessments and other charges of any taxing or assessing authority shall be separately assessed to each Unit Owner for his Unit and his corresponding percentage of ownership in the Common Elements, as provided in the Act. In the event that such taxes or assessment for any year are not separately assessed to each Unit Owner, but rather are assessed on the Property as a whole, then each Unit Owner shall pay his proportionate share thereof in accordance with his respective percentage of ownership interest in the Common Elements, and, in said event, such taxes or assessments shall be a common expense. Without limiting the authority of the Board provided for elsewhere herein, the Board shall have the authority to collect from the Unit Owners their proportionate share of taxes or assessments for any year in which taxes are assessed on the Property as a whole.

XI. INSURANCE. The Board shall have the authority to and shall obtain insurance for the Property, exclusive of additions to, improvements within and decoration of the Units or decoration of the Limited Common Elements by the Unit Owners, against loss or damage by fire, vandalism, malicious mischief and such other hazards as are covered under standard extended coverage provisions for the full insurance replacement cost of the Common Elements and the Units, and against such other hazards and for such amounts as the Board may deem advisable. Insurable replacement costs shall be deemed the costs of restoring the Common Elements, and Units or any part thereof to substantially the same condition in which they existed prior to damage or destruction. Such insurance coverage shall be written in the name of, and the proceeds thereof shall be payable to, the Board as the trustee for each of the Unit Owners in direct ratio to said Unit Owner's respective percentage of ownership in the Common Elements, as set forth in the Declaration, and for the holders of Mortgages on his Unit, if any. Such policies of insurance should also contain, if possible, a waiver of subrogation rights by the insurance company against individual Unit Owners. The premiums for such insurance shall be a common expense.

The following provisions shall apply with respect to damage by fire or other causes:

(a) If the Building is damaged by fire or other casualty and said damage is limited to a single Unit, all insurance proceeds shall be paid to the Unit Owner or one or more Mortgagees of such Unit, as their respective interest may appear, and such Unit Owner or Mortgagee shall use the same to rebuild or repair such Unit substantially in accordance with the original plans and specifications thereof. If such damage extends to two or more Units, or extends to any part of the Common Elements, such insurance proceeds shall be paid to the Board, as trustee, to be held in trust for the benefit of the Unit Owners and their Mortgagees as their respective interests may appear. The Board shall thereupon contract to repair or rebuild the damaged portions of all Units, the Buildings, and the Common Elements substantially in accordance with the original plans and specifications thereof and the funds held in the insurance trust fund shall be used for this purpose. If the insurance proceeds are insufficient to pay all of the costs of repairing or rebuilding, the Board shall levy a special assessment on all Unit Owners, in proportion to the percentage interest of each Unit Owner in the Common Elements, to make up any deficiency. If any Unit Owner shall fail to pay the special assessment within thirty (30) days after the levy thereof, the Board shall make up the deficiency by payment from the common expense fund; provided, however, that such Unit Owner shall remain liable for such special assessment.

(b) Notwithstanding the provisions of subparagraph (a) above, reconstruction shall not be compulsory where the whole or more than two-third (2/3) of all Units and of the Common Elements is destroyed or damaged by fire or other casualty, as determined by the Board. In such case, and unless otherwise unanimously agreed upon by the Unit Owners, the insurance proceeds shall be delivered to the Unit Owners or their Mortgagees, as their interests may appear, in proportion to the percentage interest of each Unit Owner in the Common Elements; and the Board, as soon as reasonably possible and as agent for the Unit Owner, shall sell the Property, in its then condition, free from the effect of this declaration, which shall terminate upon such sale, and all funds held by said insurance trustee, shall thereupon be distributed to the Unit Owners or their Mortgagees, as their interests may appear, in proportion to the percentage interest of each Unit Owner in the Common Elements.

(c) Within sixty (60) days after any such damage occurs, the Board shall, or if they do not, and Unit Owner, the insurer, the insurance trustee or any Mortgagee, may, record a sworn declaration stating that such damage has occurred, describing it, identifying the building suffering such damage, the name of any insurer against whom claim is made, and the name of any insurance trustee, reciting that the sworn declaration is recorded pursuant to the provisions of Paragraph XVI hereof on the Unit Owners.

(d) If the Unit Owners shall not rebuild pursuant to subparagraph (b) above, and the Board fails to consummate a sale pursuant to said subparagraph (b) within twenty-four (24) months after the destruction or damage occurs, the Board shall, or if they do not, any Unit Owner or Mortgagee may, record a sworn declaration setting forth such decision and reciting that under the provisions of this Declaration the prohibition against judicial partition provided for in this Condominium Declaration has terminated and that judicial partition of the Property may be obtained pursuant to the laws of the State of Louisiana. Upon final judgment of a court of competent jurisdiction decreeing such partition, this Declaration shall terminate.

The Board shall also have the authority to and shall obtain comprehensive public liability insurance, in such amounts as it deems desirable, and workmen's compensation insurance and other liability insurance as it deems desirable, insuring each Unit Owner, Mortgagee of record, if any, the Association, its officers, directors, Board, and employees, the Declarant, from liability in connection with the Common Elements. The premiums for such insurance shall be a common expense.

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

Each Unit Owner shall be responsible for obtaining his own insurance on the contents of his own Unit and the contents of the Limited Common Elements serving his Unit, as well as his decorations, furnishing and personal property therein, and his personal property stored elsewhere on the Property. In addition, in the event a Unit Owner desires to insure above and beyond the extend that his liability, loss or damage by fire and such other hazards obtained by the Board for all of the Unit Owners as part of the common expenses, as above provided, said Unit Owner may, at his option and expense, obtain additional insurance.

XII. MAINTENANCE, REPAIRS AND REPLACEMENTS. Except to the extent the Board provides (at its option and discretion) maintenance of the Units for the Unit Owners, each Unit Owner, at his own expense shall furnish and be responsible for all maintenance of repairs to and replacements within his own Unit. This obligation shall extend to air conditioner compressors and hot water heaters located outside of the unit boundaries. Maintenance of, repairs to and replacements within the Common Elements shall be the responsibility of and shall be furnished by the Association. The cost of maintenance of, repairs to and replacements within the Units to the extent the Board elects to provide such services and within the Common Elements shall be part of the common expenses, subject to the By-Laws, rules and regulations of the Association. However, at the discretion of the Board, maintenance of, repairs to and replacements within the Limited Common Elements may be assessed in whole or in part to Unit Owners benefited thereby and further, at the discretion of the Board may direct Unit Owners who stand to be benefited by such maintenance of, repairs to and replacement within the Limited Common Elements to arrange for such maintenance of, repairs, and replacements in the name and for the account of such benefited Unit Owners, pay the cost thereof with their own funds and procure and deliver to the Board such lien waivers and contractor's and subcontractor's sworn statements as may be required to protect the Property from all mechanics' or materialmen's lien claims that may arise therefrom.

In addition to the discretionary authority provided herein for maintenance of all or any portion of the Units, the Board shall have the authority to maintain and repair any Unit, if such maintenance or repair is reasonably necessary in the discretion of the Board to protect the Common Elements or preserve the appearance and value of the Property, and the Unit Owner of said Unit has failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered by the Board, and the Board shall levy a special assessment against the Unit of such Unit Owner for the cost of said necessary maintenance or repair.

If due to the act or negligence of a Unit Owner, or his agent, servant, tenant, family member, invitee, or licensee, damage shall be caused to the Common Elements or to a Unit or Units Owned by others, or maintenance, repair or replacement are required which would otherwise be a common expense, then such Unit Owner shall pay for such damage or such maintenance, repair or replacements, as may be determined by the Association; however, the provisions of this Paragraph are subject to the provisions of Paragraph XI hereof providing for waiver of subrogation rights with respect to casualty damage insured against under the policies of insurance maintained by the Board.

The authorized representatives of the Association or Board, with approval of the Board, shall be entitled to reasonable access to the individual Units and Limited Common Elements as may be required in connection with the preservation of any individual Unit or Limited Common Elements in the event of an emergency, or in connection with maintenance of, repairs or replacements, within the Common Elements, Limited Common Elements of any equipment, facilities, or fixtures or serving other Units, Common Elements and Limited Common Elements or to make any alteration required by any government authority and in order to carry out the intent and purpose of this paragraph, there is specifically granted to the Board and its authorized representatives, servitudes through the units and common elements for maintenance, repair and/or replacement of portions of the Units and Common Elements. Use of these servitudes, however, for access to the individual Units shall be limited to reasonable hours, except that access may be had at any time in case of emergency.

XIII. DECLARANT'S RIGHTS AS TO COMMON FACILITIES. Notwithstanding anything contained in this Declaration to the contrary, Declarant hereby reserves and retains unto itself or its designee, the right and privilege (but not the obligation) to operate and promulgate rules relating to, and to maintain, repair or replace, any and all areas existing for common use until such time as Declarant has sold Units which correspond, in the aggregate, to ninety percent (90%) percent of the undivided ownership of the Common Elements, as set forth in Exhibit E to this Declaration. The Board, the Association and all unit Owners shall be bound by and shall comply with any action taken by Declarant pursuant to this Paragraph XIII.

XIV. ALTERATIONS, ADDITIONS OR IMPROVEMENTS. Except as provided in Paragraph XV herein, no alternation of any Common elements, or any additions or improvements thereto, shall be made by any Unit Owner without the prior express approval of the Board of the Association, as provided in the By-Laws. Any Unit Owner may make alterations, additions or improvements within the Unit of the Unit Owner without prior written approval of the Board, but such Unit Owner shall be responsible for any damage to other Units, the Common Elements, the Property, or any part thereof, resulting from such alterations, addition or improvements.

XV. DECORATING. Each Unit Owner, at his own expense, shall furnish and be responsible for all decorating within his own Unit and Limited Common elements serving his Unit, as may be required from time to time, including painting, wall papering, washing, cleaning, paneling, floor covering, draperies, window shades, curtains, lighting and other furnishings and decorating. Each Unit Owner shall be entitled to the exclusive use of the interior surfaces of the perimeter walls, floor and ceilings of his Unit, and any balconies and terraces constituting a part thereof, and such Unit Owner shall maintain said interior surfaces in good condition at his sole expense, as may be required from time to time. Said maintenance and use of interior surfaces shall be subject to the rules and regulations of the Association, but each Unit Owner shall have the right to decorate such interior surfaces from time to time as he may see fit and at his sole expense. Decorating of the Common Elements (other than interior surfaces within the Units as above provided and other than of Limited Common Elements) and any redecorating of Units, to the extent such redecorating of Units is made necessary by damage of Units caused by maintenance, repair or replacement of the Common Elements by the Association shall be furnished by the Association as part of the common expenses. All windows forming a part of a perimeter wall of a Unit shall be cleaned and washed at the expense of the Unit Owner of the Unit. No Unit Owner shall enclose the balcony of his Unit or decorate the portions of such balcony visible from outside such Unit in any manner which detracts from the appearance of the Building, and the determination of the Board on such matters shall be final.

XVI. ENCROACHMENTS. If any portions of the Common Elements shall actually encroach upon any Unit, or if any Unit shall actually encroach upon any portions of the Common Elements, or if any Unit shall actually encroach upon another Unit, as the Common Elements and Units are shown by Plat, there shall be deemed to be mutual servitudes in favor of the Owners of the Common Elements and the respective Unit Owners involved, to the extent of such encroachments, so long as the same shall exist.

In interpreting deeds, mortgages, the Plat and building plans and specifications, the existing physical boundaries of a Unit or of a Unit reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be its boundaries rather than the metes and bounds expressed in the deed, mortgage, the Plat or building plans and specification, regardless of settling or lateral movements and regardless of minor variance between boundaries shown on the building plans and specifications or in the deed and those of the Units.

XVII. TRANSFER OF LIMITED COMMON ELEMENTS. The use of Limited Common Elements may be transferred between Unit Owners having rights thereto only by the exchange of equivalent interest or by lease for a term not exceeding (1) year at their expense, provided that such transfer is made in compliance with the Act and the requirements of this Paragraph XVII. Rights and obligations with respect to any of the Limited Common Elements shall not be affected, nor shall any transfer thereof be effective, unless such transfer is in compliance with requirements of this Paragraph XVII. Each such transfer shall be made by an amendment to this Declaration executed by all Unit Owners who are parties to the transfer and consented to by all other Unit Owners who have any right to use the Limited Common Elements affited thereby. Such amendment shall contain a certificate showing that a copy of the amendment has been delivered to and approved in writing by the Board, and shall contain a statement from the Unit Owners involved in the transfer setting forth any reapportionment of their respective percentages of ownership in the Common Elements resulting therefrom, the aggregate sum of which percentage interests shall not thereby change. If such Unit Owners cannot agree upon such reapportionment the Board shall make such reapportionment. No such transfer shall be effective until such amendment is recorded.

XVIII. COMBINATION OF UNITS. A unit may be transferred by the Owner thereof to the Owner of a Unit or Units adjacent thereto, and may be combined with such adjacent Unit of Units, and made a part thereof, for use together with such adjacent Unit or Units (thereby forming a new larger Unit), and the Common Elements affected by such transfer and combination is made in compliance with the Act and the following provisions. No rights and obligations with respect to any Unit shall be affected, no percentage of ownership in the Common elements shall be reallocated, and no such transfer and combination shall be effective, unless the same is expressly provided for in this Paragraph XVIII. The Unit Owner or Unit Owners desiring to make such transfer and combination shall make written application to the Board requesting an amendment to this Declaration (including the Plat) and containing (i) a survey of the proposed alterations of the affected Units and the affected Common Elements, and, (ii) a proposed reallocation to the new Unit to be created by such proposed transfer of the percentage of interest in the Common Elements appurtenant to such affected Units. No such proposed transfer and combination shall be effective unless first approved in writing by a majority of members of the Board. If so approved by the Board, such proposed transfer and combination shall be effective upon (a) recording of an amendment to this Declaration, consistent with and reflecting said transfer and combination, and executed by the Unit Owner or Owners of the Units involved therein, together with executed by the Unit Owner or Owners of the Units involved therein, together with an amended Plat, in accordance with the Act. Any expenses incurred in connection with accomplishing any such transfer and combination, as provided hereunder, including without limitation, attorneys fees, shall be paid by the Unit Owners of the Units involved, and such Unit Owners shall be jointly and severally liable for the payment thereof.

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

XIX. USE AND OCCUPANCY RESTRICTIONS. Subject to the provision of this Declaration and the By-Laws, no part of the Property may be used for purposes other than housing and the related common purposes for which the Property was designed. Each Unit or any two or more adjoining Units used together shall be used as a residence or such other use permitted by this Declaration, and for no other purpose, except that professional and quasi-professional people may use their residence as an ancillary or secondary facility to an office established elsewhere. The foregoing restrictions as to residence shall not, however, be construed in such manner as to prohibit a Unit Owner from: (a) maintaining his personal professional library; (b) keeping his personal business or professional records or accounts; or (c) handling his personal business or professional telephone calls or correspondence. Such uses are expressly declared customarily incidental to the principal residential use and not in violation of said restrictions.

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

Without limiting the generality of the foregoing provisions of this Paragraph XIX, use of the Property by the Unit Owners shall be subject to such rules and regulations as shall be promulgated by the Board.

XX. REMEDIES. In the event of any violation of the provisions of the Act, Declaration, By-Laws or rules and regulations of the Board or Association by any Unit Owner (either by his own conduct or by the conduct of any other Occupant of his Unit) the Association, or its successors or assigns, or the Board, or its agent, shall have each and all of the rights and remedies which may be provided for in the Condominium Act, Declaration, By-Laws, or said rules and regulations, or which may be available at law or in equity, and may prosecute an action or other proceedings against such defaulting Unit Owner and/or others for enforcement of any lien and the appointment of a receiver for the Unit and ownership interest of each Unit Owner, or for damages or injunction of specific performance or for judgment for payment of money and collection thereof, or for any combination of remedies, or for any other relief. All expenses of the Board in connection

with any such actions or proceedings, including court costs and attorney's fees and other fees and expenses and all damages, liquidated or otherwise, together with interest thereon at the maximum lawful rate per annum until paid, shall be charged to and assessed against such defaulting Unit Owner, and shall be added to and deemed part of his respective share of the common expenses, and the Board shall have a lien for all of the same, as well as for non-payment of his respective share of the common expenses, upon the Unit and Ownership interest in the Common Elements of such defaulting Unit Owner and upon all of his additions and improvements thereto and upon all of his personal property in his Unit or located elsewhere on the Property; provided, however, that such lien shall be subordinated to the lien of a prior, recorded first Mortgage on the interest of such Unit Owner, except for the amount of the proportionate share of said common expenses which become due and payable from and after the date on which the said Mortgagee either takes possession of the Unit or accepts a conveyance of any interest therein through a deed in lieu of foreclosure or through foreclosure of its mortgage. This paragraph shall not be amended, changed, modified or rescinded without the prior consent of all holders of record of Mortgages against Units.

In the event of any such default by any Owner, the Board shall have the authority to correct such default, and to do whatever may be necessary for such purpose and all expenses in connection therewith shall be charged to and assessed against such defaulting Unit Owner. Any and all such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Board.

The violation of any restriction or condition or regulation adopted by the Board or the breach of any covenant or provision herein contained, shall give the Board the right, in addition to any other rights provided for in this Declaration, (a) to enter upon the Unit, or any portion of the property upon which, or as to which such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, and structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions hereof, and the Board, or its employees or agents, shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity the continuance of any breach; or (c) to take possession of such Unit Owner's interest in the property and to maintain an action for possession of such Unit in the manner of provided by law.

XXI. AMENDMENT. The provisions of this Declaration may be changed, amended, modified or rescinded by an instrument in writing setting forth such change, amendment, modification or rescision and signed and acknowledged by Unit Owners owning not less than seventy-five (75%) of the total ownership of Common Elements; provided, however, that all Mortgagees of record have been notified by certified mail of such change, amendment, modification or rescision, and an affidavit by the secretary of the association certifying to such mailing is made a part of such instrument. The percentage of ownership of the Common Elements provided for in this Declaration shall not be amended or modified without the consent of all Unit Owners and of all Mortgagees.

However, if the Act the Declaration or the By-Laws require the consent or agreement of all Unit Owners or of all Mortgagees for any action specified in the Act or in this Declaration with respect to such action shall be signed by all the Unit Owners or all Mortgagees or both as required by the Act or this Declaration.

Declarant shall have the authority, without the joinder or consent of any other party including specifically but not by way of limitation, a Unit Owner or Mortgagee of a unit, to make any amendment of this Declaration necessary to clarify any apparently conflicting provisions hereof and/or to correct any mistakes or errors of a clerical nature resulting from typographical or similar errors.

Any change, modification or rescision, whether accomplished under any one or more of the provisions of the preceding paragraphs, shall be effective upon filing of such instrument in the Conveyance Office for the Parish of East Baton Rouge, Louisiana, provided, however, that no provision in this Declaration may be changed, modified or rescinded so as to conflict with provisions of the Act.

XXII. NOTICES. Notices provided for in the Act, Declaration or By-Laws shall be in writing, and shall be addressed to the Association or Board, or to any Unit Owner, as the case may be, at 2100 College Drive, Baton Rouge, Louisiana, 70808 or at such other address as hereinafter provided. The Association or Board or any Unit Owner may designate a different address or addresses for notices to them, respectively, by giving written notice to the association. Notices addressed as above shall be deemed delivered when mailed by United States mail with postage prepaid, or when delivered in person.

Upon written request to the Association, the holder of any recorded Mortgage encumbering any Unit shall be given a copy of all notices permitted or required by this Declaration to be given to the Unit Owner whose Unit is subject to such Mortgage.

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

XXIV. RIGHTS AND OBLIGATIONS. Each grantee of the Declarant, by the acceptance of the deed of conveyance from the Declarant, accepts the same subject to all restrictions, conditions, covenants, restrictions, liens and charges, and the jurisdiction, rights and powers created or reserved by this Declaration. All rights, benefits and privileges of every character hereby imposed shall be deemed and taken to be covenants running with the land, and shall bind any person having at any time any interest or estate in said land, and shall inure to the benefit of such grantee in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance or contract for conveyance.

XXV. PROTECTION OF MORTGAGE.

- (a) Notice of Association. An Owner who mortgages his Unit, shall notify the Board giving the name and address of his mortgagee. The Board shall maintain such information in a book entitled "Mortgages of Condominium".
- (b) Notice of Default. The Association shall notify a first mortgagee in writing, upon request of such mortgagee, of any default by the Owner, in the performance of such Owner's obligations as set forth in the Declaration which is not cured within thirty (30) days.
- (c) Examination of Books. The Association shall permit first mortgagees to examine the books and records of the Association during normal business hours.
- (d) Reserve Fund. The Association shall establish an adequate reserve fund for replacement of common element components and fund the same by regular monthly payments rather than by extraordinary special assessments.
- (e) Annual Audits. The Association shall furnish each first mortgagee as annual audited financial statement of the Association within ninety (90) days following the end of each fiscal year of the Association.
- (f) Notice of Meetings. The Association shall furnish each first mortgagee upon request of such mortgagee, prior written notice of all meetings of the Association and permit the designation of a representative of such mortgagee to attend such meeting, one such request to be deemed to be request for prior written notice of all subsequent meetings of the association.

(g) Approval for Amendments to Declaration, etc. The prior written approval of each first mortgagee shall be required for the following:

(i) abandonment or termination of Bienville Towers Condominium as a condominium regime, except for abandonment or termination provided by law, in case of substantial destruction by fire or other casualty or in the case of taking by condemnation or eminent domain; (ii) any material amendment to the Declaration or By-Laws of the Association, including, but not limited to any amendment which would change the percentage interest of unit owners in the common elements, and which would change the pro-rata interest or obligations of any unit owner for the purpose of levying assessments or charges or allocating distribution of hazard insurance proceeds or condemnation awards; and (iii) the termination of any professional management contract for the Condominium Project.

(h) Notice of Damage or Destruction. The Association shall furnish the first mortgagees timely written notice of any substantial damage or destruction to units and of any part of the common elements and facilities if such loss exceeds \$10,000.00, or damage to a condominium unit exceeds \$1,000.00.

(i) Notice of Condemnation or Eminent Domain. The Association shall furnish the first mortgagees timely written notice of any condemnation, or eminent domain proceeding regarding all or any portion of a unit or of the common elements and facilities and of any proposed acquisition of all or any part of such properties through condemnation or eminent domain proceedings if such taking exceeds \$10,000.00.

(j) Right to Partition. No unit may be partitioned or subdivided by the owner thereof without the prior written approval of at least the holder of the first mortgage lien on such property and the Board of Directors of the Association.

(k) Claims for Unpaid Assessments. Any first mortgagee who obtains title to the unit pursuant to the remedies provided in the mortgage or foreclosure of the mortgage, or pursuant to a deed or assignment in lieu of foreclosure, or any purchaser at a foreclosure sale, shall not be liable for such units' unpaid assessments or charges which accrued prior to the acquisition of title to such unit by the holder of such mortgage, except for claims for a pro rata reallocation of such assessments or charges to all units including the mortgage unit.

(l) Taxes, Assessments and Charges. All taxes, assessments and charges which may become liens prior to the first mortgage under local law shall relate only to the individual condominium units and not to the condominium project as a whole.

(m) Other Acts by Association requiring Approval of First Mortgagees. Unless 100% of the first mortgagees have given their prior written approval, the Association shall not be entitled to: (i) partition or subdivide any condominium unit, (ii) by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer, the common elements. The granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements by the condominium project shall not be deemed a transfer within the meaning of this clause; (iii) use hazard insurance proceeds for losses to any condominium property (whether to units or to common elements) for other than the repair, replacement or reconstruction of such improvements, except as provided by statute in case of substantial loss to the units and/or common elements of the condominium project, or except as otherwise provided in this Declaration.

(n) No provision contained in this Declaration shall be construed as giving a condominium unit owner, or any other part, priority over any rights of first mortgagees in the case of a distribution to condominium unit owners of insurance proceeds or condemnation awards for losses to or taking of condominium unit and/or common elements.

(o) Notwithstanding anything in this Declaration to the contrary, Declarant, its Successors or assigns may amend this Declaration to conform with the requirements of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association or any similar duty constituted governmental authority, by written instrument executed by said Declarant, and duly recorded in the Office of the Clerk of Court for the Parish of Orleans, State of Louisiana.

XXVI. LEASES. With the exception of a lender in possession of a Condominium Unit following a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure, no Unit Owner shall be permitted to lease his Unit for transient or hotel purposes. No Unit Owner may lease less than the entire Unit. Any lease agreement shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration and the By-Laws, and that the failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be in writing.

XXVII. DAMAGE OR DESTRUCTION. In any event of substantial damage to or destruction of any Unit or any part of the Common Elements, the holder of any Mortgage on a Unit will be entitled to timely written notice of any such damage or destruction.

XXVIII. EMINENT DOMAIN. If all or any part of the Property is taken or threatened to be taken by eminent domain or by power in the nature of eminent domain (whether permanent or temporary), the Association and each Unit Owner shall be entitled to participate in proceedings incident thereto at their respective expense. The Association shall give timely written notice of the existence of such proceedings to all Unit Owners and to all Mortgagees known to the Association to have an interest in any Units. The expense of participation in such proceedings by the Association shall be borne by the Association. The Association is specifically authorized to obtain and pay for such assistance from attorneys, appraisers, architects, engineers, expert witnesses and other persons as the Association in its discretion deems necessary or advisable to aid or advise it in matters relating to such proceedings. All damages or awards for such taking shall be deposited with the Association and such damages or awards shall be applied as provided to defend or resist any such proceeding, to make any settlement with respect thereto, or to convey such property to the condemning authority in lieu of such condemnation proceedings. With respect to any such taking, all damages and awards shall be determined for such taking as a whole and not for each Unit Owner's interest therein. After the damages or awards for such taking are determined, such damages or awards shall be paid to the account of each Unit Owner and first Mortgagees, if any, as their interest may appear in proportion to their percentage ownership interest in the Common Elements to be applied or paid as set forth in the attached Exhibit "F" unless restoration takes place as herein provided. If it deems advisable, the Board may call a meeting of the Unit Owners at which meeting the Unit Owners, by a majority vote, shall decide whether to or not to replace or restore as far as the Common Elements so taken or damages. In the event it is determined that the Common Elements shall be replaced or restored by obtaining other land or building additional structures, this Declaration and the Plat attached hereto shall be duly amended by an instrument executed by the Association on behalf of the Unit Owners. In the event such eminent domain proceedings results in the taking of or damages to one (1) or more, but less than sixty-six and two-thirds percent (66 2/3%) percent of the total number of units then the damages and awards for such taking shall be determined for each unit and the following shall apply.

(a) The Association shall determine which of the Units damaged by such taking may be made tenantable for the purposes set forth in the Declaration, taking into account the nature of the Condominium and the reduced size of each Unit so damaged.

(b) The Association shall determine whether it is reasonably practical to operate the remaining Units of the Condominium including those damages Units which may be tenantable, as a condominium in the manner provided in this Declaration.

(c) In the event the Association determines it is not reasonably practical to operate the undamaged Units and the damaged Units which can be made tenantable, then the Property shall be deemed to be regrouped and merged into a single estate owned jointly in undivided interest by all Unit Owners, as owners in indivision, in the percentage ownership interest previously owned by each Unit Owner in the Common Elements.

EXHIBIT A

TO

DECLARATION CREATING AND ESTABLISHING A CONDOMINIUM
PROPERTY REGIME FOR LA JEANNINE

A CERTAIN LOT OF GROUND, together with all the buildings and improvements thereon, and all the rights, ways, privileges, servitudes and advantages thereunto belonging or in anywise appertaining, situated in the Second District of this City, in Square No. 107, bounded by Gov. Nicholls St. (formerly Hospital St.), Barracks, Burgundy and N. Rampart Streets, said lot being at a distance of 102 feet, 3 inches, 5 lines, title (102 feet, 4 inches, 0 lines, actual), from the corner of Burgundy and Gov Nicholls St. (formerly Hospital St.) and measures 40 feet, 9 inches front on Gov. Nicholls St. (formerly Hospital St.), 41 feet, 6 inches, 5 lines, title, (41 feet, 8 inches, 5 lines, actual), in width in the rear, 120 feet, 1 inch, 5 lines, title, (119 feet, 8 inches, 3 lines, (actual), in depth on the side line toward Rampart Street and on the other side line 80 feet, title, (79 feet, 11 inches, 2 lines, actual), in depth on a straight line, at which point it runs 11 inches, 5 lines toward Burgundy Street and extends a further depth of 40 feet, 1 inch, 5 lines.

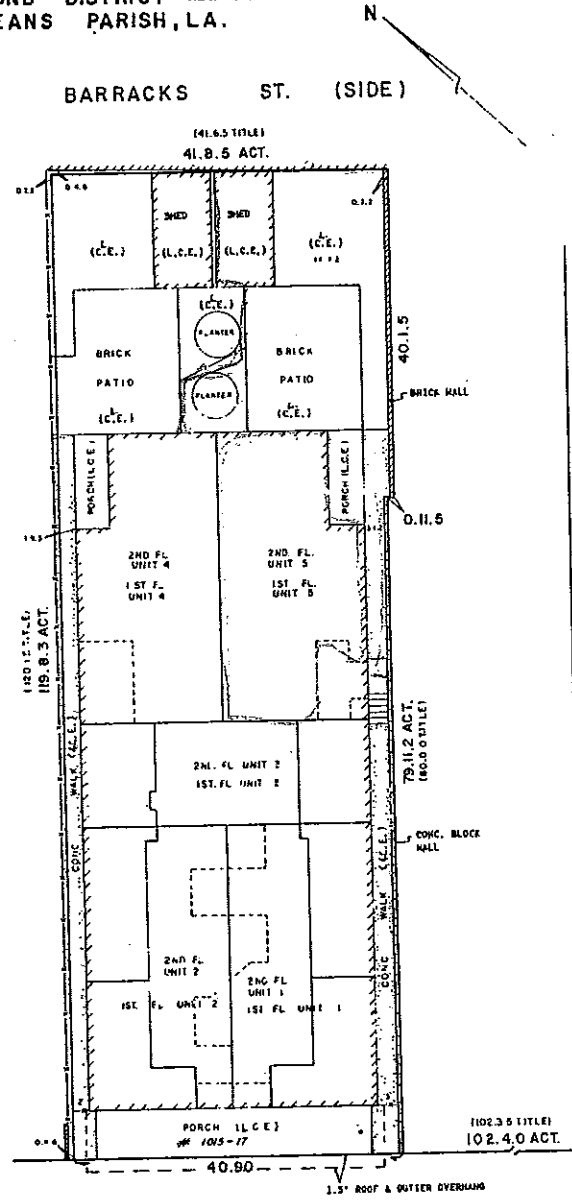
The improvements on said property bear the Municipal Nos. 1015-17 Gov. Nicholls St.

Being the same property as acquired by Peter S. Michell and Gary R. Williams from JOHANNA DENARO WADE TRUST by an act of sale before Robert B. Sutherlin, Notary, on November 22, 1982 for the Parish of Orleans, State of Louisiana, registered in the office of the recorder of conveyances on December 12, 1982 in COB 780, folio 415.

SQUARE 107
SECOND DISTRICT - NEW ORLEANS
ORLEANS PARISH, LA.

LA JEANNINE CONDOMINIUM

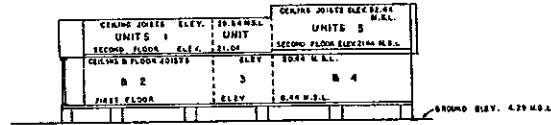
Exhibit A-1



GOV. NICHOLLS ST.
(FORMERLY HOSPITAL ST.)

SURVEY
1"=10'

ST.
BURGUNDY



SECTION
1"=20'

- NOTES
1. ELEVATION ARE SHOWN IN MEAN SEA LEVEL
 2. C.E. = COMMON ELEMENT L.C.E. = LIMITED COMMON ELEMENT
 3. WIDTH AND DEPTH OF EACH UNIT ARE MEASURED FROM THE INSIDE SURFACE (AT RIGHT ANGLES) OF SHEETROCK WALLS.
 4. PROPERTY IS LOCATED IN FLOOD ZONE "C"

UNIT MEANS A PART OF THE CONDOMINIUM PROPERTY SUBJECT TO INDIVIDUAL OWNERSHIP. A UNIT MAY INCLUDE AIR SPACE ONLY. A UNIT INCLUDES SUCH ACCESSORY RIGHTS AND OBLIGATIONS AS ARE STIPULATED IN THE CONDOMINIUM DECLARATION.

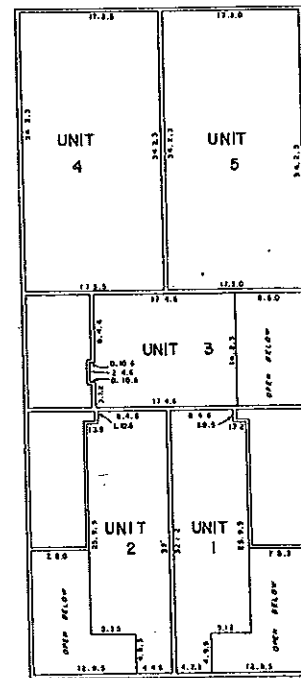
COMMON ELEMENTS MEANS THE PORTION OF THE CONDOMINIUM PROPERTY NOT A PART OF THE INDIVIDUAL UNITS, IN EVERY MULTIFAMILY BUILDING, THE FOLLOWING SHALL BE COMMON ELEMENTS: FOUNDATION, MAIN WALLS, ROOF AND ALL PRINCIPAL STRUCTURAL PARTS OF THE BUILDING, INSTALLATIONS OF CENTRAL SERVICES SUCH AS POWER, LIGHTS, GAS, HOT AND COLD WATER, HEATING AND AIR CONDITIONING.

LIMITED COMMON ELEMENT MEANS THOSE COMMON ELEMENTS RESERVED IN THE CONDOMINIUM DECLARATION FOR THE EXCLUSIVE USE OF A CERTAIN UNIT OR UNITS.

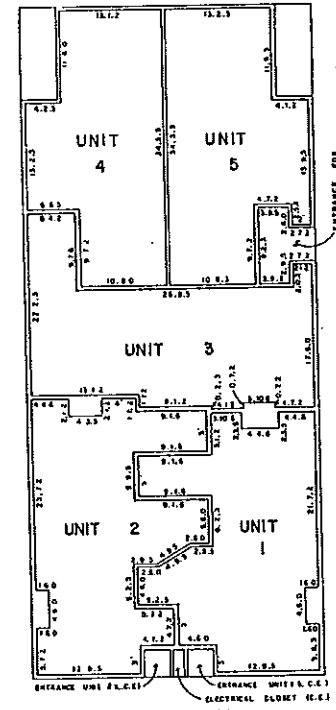
OCTOBER 28, 1983
SURVEY CERTIFIED CORRECT TO
PETER SCOTT MICHELL, ATTORNEY



STERLING E. MANDEL
LAND SURVEYOR
METAIRIE, LA.



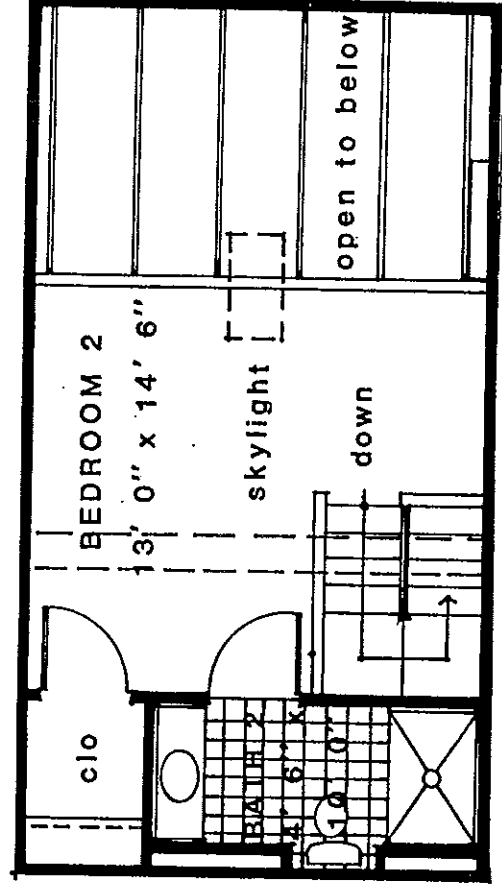
2ND FLOOR



1ST. FLOOR

UNIT PLANS
1"=10'

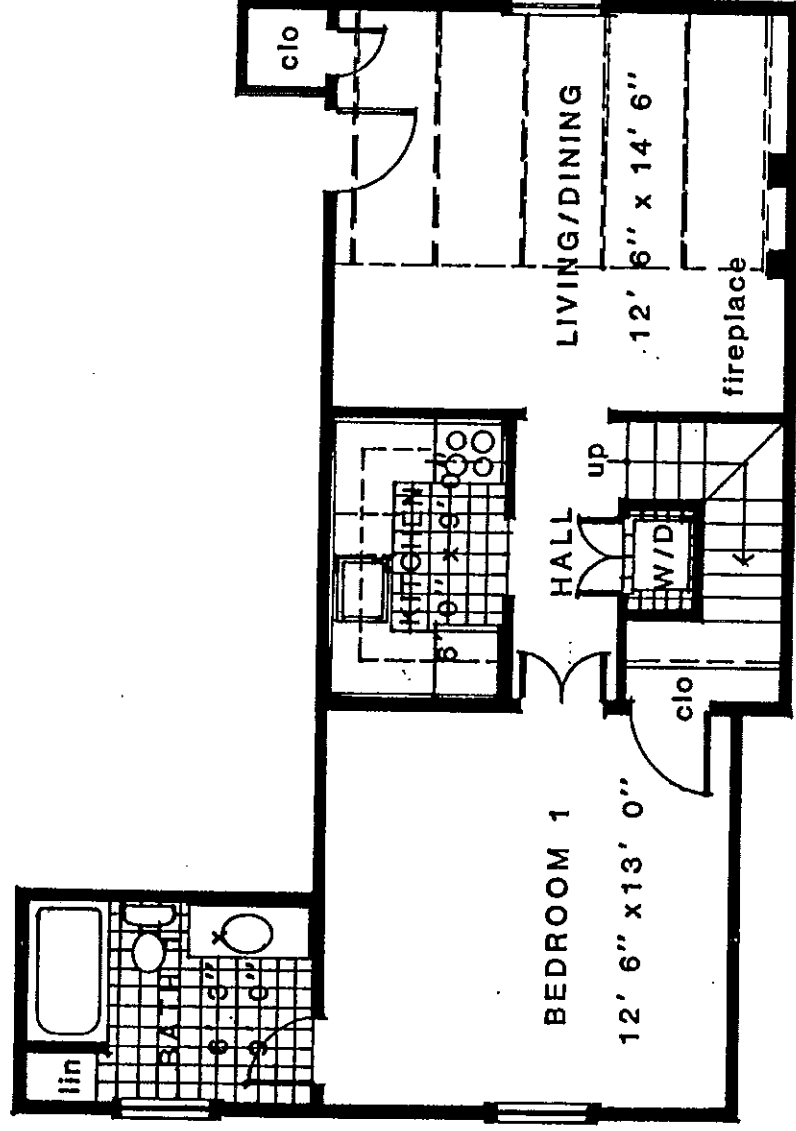
MANDLE SURVEYING, INC.



UNIT 3 Second Floor Plan

La Jeannine

1015-17 Governor Nicholls Street



UNIT 3 First Floor Plan

PUBLIC OFFERING STATEMENT

FOR

LA JEANNINE CONDOMINIUM

BY

PETER SCOTT MICHELL, PAGE MCCLENDON MICHELL

AND

GARY R. WILLIAMS

PURSUANT TO

La. R.S. 9:1124.102

1. There is annexed hereto as Exhibit I, a copy of the Declaration of Condominium of La Jeannine Condominium.
2. The Articles of Incorporation of the La Jeannine Condominium Association, Inc. are annexed as Exhibit "B" to the Declaration.
3. The By-Laws of the La Jeannine Condominium Association, Inc. are annexed as Exhibit "C" to the Declaration.
4. There are no predial leases or subleases affecting the condominium property.
5. The projected operating budget for the association is annexed as Exhibit "D" to the Declaration. An initial reserve for working capital and replacement will be established by the collection of two months' assessments at the sale of each unit by Declarant for a total of \$850.00. The budget provides for an annual reserve for repairs and replacements of \$645 per annum and for insurance premiums of \$1,455.00 per annum.
6. The La Jeannine Condominium consists of units which have been established as independent, single-family residences susceptible of individual ownership by the terms and provisions of the Declaration of Condominium.

Essentially, each unit owner will own, in fee simple, all of the space within the boundaries of his unit, together with an undivided interest, owned in common with all other unit owners, in the building and other structures; front fences, meter box closet, attic space (not a limited common element, etc.) comprising the condominium and the ground upon which they are situated.
7. The units are set forth on the plat and are designed by their identifying number. The common elements shall remain in undivided ownership and no person shall have the right to a partition or division of the common elements.

The management of the condominium is under the control of the association, a non-profit corporation of which the unit owners are the sole members. The Association itself is governed by its Board of Directors. Initially, the Board will be comprised of individuals selected and appointed by the Declarant. The Articles and By-Laws provide for transfer of control to the unit owners by July 1, 1984, or sooner, depending upon the rapidity of sale of the units by Declarant.

Each Unit owner shall have the right to use the common elements and shall be responsible for a proportionate share of the common expenses for maintaining the common elements. In regard to the first year of operation, the declarants guarantee to pay any current expenses not covered by the regular assessments to unit purchasers pursuant to the budget annexed hereto.

The Declaration provides for procedures for levy and collection of assessments by the Association. The assessments may be enforced with a lien against each unit.

Each Unit owner shall have the right to mortgage his unit together with its respective ownership in the common elements. Each unit owner will receive a separate real estate tax bill for his unit. Insurance shall be provided by the Association for common elements and limited common elements, including hazard fire and extended coverage and flood insurance. The Association shall also provide liability insurance, for the common areas. It will be necessary for each unit owner to obtain his own insurance for the personal contents of the unit together with personal liability insurance.

In the event of damage to the condominium property by fire, the Declaration vests the Association with certain authority relative to the use of proceeds from insurance policies. The Association has the authority to repair or rebuild damaged portions of a unit and the common elements. In event of total destruction, the Association may rebuild or deliver proceeds to unit owners, subject to rights of mortgagees.

There shall be no alterations or modifications of the common elements without Association approval. Each unit owner shall be responsible for decorating and maintaining his own unit at his own expense. The Declaration also provides for use and occupancy restrictions of the subject property. In the event of violation of any of the provisions of the Declaration, the Association shall have authority to proceed with legal action to enforce the terms and conditions of the Declaration.

The Declaration may be changed and modified by a vote of unit owners totaling not less than 75% of the total ownership of the common elements.

8. A floor plan of each of the Units by unit type, is annexed as Exhibit III.

9. The budget sets forth and describes for each Unit an amount designated therein as the "Monthly Assessment". For a period (hereinafter referred to as the "Initial Period") of one year from and after the first day of the calendar month next following the date of recording of the Declaration, each unit owner other than Declarant shall pay and be responsible for monthly and, his proportionate share of the common expenses shall be deemed to be his respective monthly assessment. If the total monthly assessments collected are greater than the actual common expenses incurred during the Initial Period such excess shall be thereafter used as the Board may prescribe. However, if the total Monthly Assessments payable by unit purchasers during the Initial Period, such deficiency shall be paid solely by Declarant. During the Initial Period, Declarant shall not be liable to pay Monthly Assessments on the units owned by it. After the "Initial Period" each unit owner, including Declarant, shall pay the Monthly Assessment imposed by the Association. The Declarant is not required to advance the two months, maintenance and operations reserve assessment based upon the Budget but instead shall insure that every initial sale made of a unit in the condominium shall require that the unit purchaser pay said two months' assessment to the Association until such time as all units have been sold and closed.

10. Within fifteen days from the receipt of a copy of the Public Offering Statement, a purchaser, before conveyance, may cancel any contract to purchase a unit from Declarant.

11. There will be provided to each prospective purchaser separately a report prepared by Gary R. Williams, the on site supervisor of all reconstruction dated October 24, 1983, describing the present condition of all structural components, the roof, and the mechanical and electrical installations, and other considerations, material to the use and enjoyment of the condominium. The Declaration makes no representations regarding the remaining useful life of the items described in the report. The Declarant makes no warranty as to the condition of the improvements comprising the common elements Exhibit II.

12. There are no potential or pending suits against the Association. The Association is not a party to any pending litigation nor is there any unsatisfied judgment outstanding against the Association. Declarant has no knowledge of any pending suits or claims material to the Condominium.

EXHIBIT "B"

TO

THE LA JEANNINE CONDOMINIUM

STATE OF LOUISIANA

PARISH OF ORLEANS

BE IT KNOWN, on this 1st day of November, 1983, personally came and appeared before me, the undersigned Notary Public, the several subscribers hereto, each of the full age of majority, who declared to me, in the presence of the undersigned competent witness, that, availing themselves of the provisions of the Louisiana Business Corporations Law, relative to non-profit corporations (La. R.S. 12:201, et seq), they do hereby organize themselves, their successors and assigns, into a corporation in pursuance of that law, under and in accordance with the following articles of incorporation:

ARTICLE I

NAME

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

ARTICLE II

DEFINITIONS

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

- a. Association means the corporation created by these Articles of Incorporation.
- b. Condominium refers to the immovable property and improvements thereon described on Exhibit "A" and the legal status thereof imposed by the establishment of a condominium regime affecting them.
- c. Condominium Unit means a condominium parcel susceptible of private ownership.
- d. Declaration of Condominium, an instrument in conformity with the provisions of La. R.S. 9:1121, et seq. executed and registered for the purpose of establishing the condominium form of ownership upon the immovable property and improvements thereon described in Exhibit "A".
- e. Member or Members means the Owner or Owners of individual Condominium Units in the Condominium who, by virtue of these Articles of Incorporation are members of the Corporation.
- f. Owner or Owners means the owner of individual Condominium Units in the Condominium.

All other words or phrases shall have the meanings ascribed to them in the Declaration of Condominium.

ARTICLE III

PURPOSE

The Association is organized for the purpose of operating and managing the Condominium for the use and benefit of the Unit Owners.

ARTICLE IV

POWERS

- a. To operate and manage the condominium for the use and benefit of the Owners of the Condominium units as the agent of said Owners.
- b. To carry out all of the powers and duties vested in it pursuant to the Declaration of Condominium affecting the property described on Exhibit "A".
- c. The Association shall be authorized to exercise and enjoy all the powers, rights and privileges granted to or conferred upon non-profit corporations by the Louisiana Corporation Law, La. R.S. 12:201, et seq.
- d. The Association shall be authorized to exercise and enjoy all of the powers, rights and privileges granted to or conferred upon corporations of a similar character by the provisions of La. R.S. 9:1121, et seq. entitled "The Louisiana Condominium Law" as now or hereafter in force.
- e. All of the powers of this Association shall be subject to and shall be exercised in accordance with the provisions of the Declaration of Condominium together with its supporting documents which govern the use of the Condominium to be operated and administered by this Association.

ARTICLE V

MEMBERSHIP

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

- a. This Association shall be organized without any capital stock.
- b. All Unit Owners of condominium parcels in the Condominium shall be members of the corporation, and no other person or other entities shall be entitled to membership.
- c. After the Declaration of Condominium has been registered, persons shall become members of the Association by the recording in the Conveyance records of the Parish of Orleans, State of Louisiana, of a deed or other instrument establishing a change of record title to a Unit and the delivery to the Association of a certified copy of such instrument, the new owner designated by such instrument thereby becoming a member of the Association, and the membership of the prior owner shall at that time be terminated.
- d. The interest of any member in any part of the Condominium or in the funds, and assets of the Association cannot be conveyed, assigned, mortgaged, hypothecated or transferred in any manner, except as an appurtenance to his condominium parcel.
- e. Voting by the members of the Association in the affairs of the Association shall be on the following basis:

The aggregate number of votes for all Unit Owners shall be 200 and shall be divided among the respective unit owners in accordance with their respective percentages of ownership interest in the common elements. If any Unit Owner consisted of only one person in accordance with the proxy or other designated made by the persons constituting such Unit Owner.

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

ARTICLE VI

CORPORATE EXISTENCE

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

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

ARTICLE VII

REGISTERED AGENT AND OFFICE AND RESIDENT AGENT

The registered agent and resident agent upon whom service of process may be effected for the corporation is Peter Scott Michell and the registered office is Suite 208, 3000 Magazine Street, New Orleans, Louisiana 70115.

ARTICLE VIII

- a. Subject of the provisions of these Articles, the Declaration and the Act, all of the powers of this Association are vested in its Board of Directors.
- b. The Board of Directors shall consist of not less than three (3), nor more than five (5) members.
- c. The exact number of directors, the procedure for their election, their terms of office, qualifications, procedures for filling vacancies on the Board, procedures for removal of directors, compensation and the powers and duties of directors shall be established by the By-Laws of this Association.

ARTICLE IX

DIRECTORS AND OFFICERS

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

<u>NAME</u>	<u>ADDRESS</u>	<u>TITLE</u>
GARY R. WILLIAMS	1023 Governor Nicholls New Orleans, LA. 70116	President/Treasurer
PETER SCOTT MICHELL	3000 Magazine Street Suite 208 New Orleans, Louisiana 70115	Vice-President/Secretary

ARTICLE X

INCORPORATORS

The following are the original incorporators and subscribers of the Articles of Incorporation of this Association.

NAME

GARY R. WILLIAMS

ADDRESS

1023 Governor Nicholls
New Orleans, LA. 70116

PETER SCOTT MICHELL

3000 Magazine Street, Suite 208
New Orleans, LA 70115

ARTICLE XI

BY-LAWS

The By-Laws of the Association shall be adopted by the first Board of Directors. The amendment, alteration or rescission of the By-Laws shall be by the Board of Directors, subject to the approval of not less than seventy-five (75%) percent of the Unit Owners as provided in Article V hereof.

ARTICLE XII

AMENDMENTS TO ARTICLES OF INCORPORATION

SECTION 1. The Articles of Incorporation may be amended by the members at a duly constituted meeting for such purpose, provided, however, that no amendment shall take effect unless approved by a majority of the members of the Board of Directors and by not less than seventy-five (75%) percent of the Unit Owners as provided in Article V hereof. Notice of the subject matter of any proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

SECTION 2. No amendment to the Articles of Incorporation which in any way changes the percentage of ownership owned by any member of a condominium parcel in the common elements of the Condominium, or which in any way changes or modifies the voting rights of any member, or which in any way modifies the percentage of the assessment to be levied against any member for the operation and maintenance of the limited common elements or common elements of the Condominium may be made without the written approval of one hundred (100%) percent of the members.

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

ARTICLE XIII

ASSESSMENTS AND FUNDS

- a. All assessments paid by the owners of condominium parcels for the maintenance and operation of the Condominium, shall be utilized by the Association to pay for the cost of said maintenance and operation. The Association shall have no interest in any funds received by it through assessments from the owners of individual condominium parcels except to the extent necessary to carry out the powers vested in it as agent for said members.
- b. The Association shall make no distribution of income to its members, directors or officers, and it shall be conducted as a non-profit corporation.
- c. Any funds held by the Association from its receipts, over and above its common expenses, shall be known as the common surplus of the Association and the same shall be held for the use and benefit of the members in proportion to the percentage of their ownership in the limited and general common elements of the Condominium.
- d. Upon termination of the Condominium and dissolution or final liquidation of this Association, the distribution to the members of this Association of the common surplus in proportion to the percentage of their ownership in the common elements shall not constitute or be deemed to be a dividend or distribution of income.

ARTICLE XIV

INDEMNIFICATION

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

THUS DONE AND SIGNED at my office in City, Parish and State aforesaid, on the day, month and year set forth above, in the presence of the undersigned competent witnesses and me, Notary, after due reading of the whole.

WITNESSES

Kim Lancaster

James R. Dawson

INCORPORATORS

Gary R. Williams
GARY R. WILLIAMS

Peter Scott Michell
PETER SCOTT MICHELL

Robert E. Sutherlin

ROBERT E. SUTHERLIN, NOTARY PUBLIC