

STATE OF LOUISIANA
PARISH OF EAST BATON ROUGE

**CONDOMINIUM DECLARATION ESTABLISHING
HIGHLANDER TOWNHOME CONDOMINIUMS, LLC**

Before me, the undersigned Notary Public, and in the presence of the undersigned competent witnesses, personally came and appeared:

HIGHLANDER TOWNHOMES, LLC, a Louisiana limited liability company, whose Articles of Organization have been filed with the Secretary of State, and whose address is 601 Napoleon Street, Baton Rouge, Louisiana 70802, appearing though its Managing Member, G. Allen Walsh, pursuant to a Written Consent of Members, a copy of which is attached hereto as **Exhibit "D"**, (hereinafter referred to as "**Declarant**"),

which does declare that, availing itself of the provisions of the Louisiana Condominium Act (hereinafter the "**Act**", namely La. R.S. 9:1121.101 et seq.), it hereby submits the immovable property hereinafter described to the regime of this condominium declaration and does, further, as owner, assume the ownership of each of the condominium units with all rights and privileges incident to same.

1. NAME AND SUBMISSION OF PROPERTY TO CONDOMINIUM REGIME:

The name by which the condominium regime established hereby shall be identified is **HIGHLANDER TOWNHOME CONDOMINIUMS** (hereinafter the "**Condominium**"). **HIGHLANDER TOWNHOMES, LLC** does hereby submit the immovable property described on **Exhibit "A"** to this Declaration to a condominium regime, which property shall hereafter be subject to this Declaration.

2. DEFINITIONS:

The terms used herein, in the Articles of Organization shall have the meaning stated in the Louisiana Condominium Act and unless the context otherwise requires, the following capitalized terms shall be defined as follows:

2.01 Act means the Louisiana Condominium Act, La. R.S. 9:1121.101 et seq.

2.02 Assessment means an Owner's share of the amount required for the payment of Common Expenses and Limited Common Expenses and which is further defined and governed by Section 8.

2.03 Association means the "Highlander Townhome Condominiums Homeowner Association, LLC", a Louisiana limited liability company established by the Articles of Organization, a copy of which is attached as **Exhibit "B"**; whose membership shall consist exclusively of Owners,

and which shall administer, manage, regulate and operate the Condominium Property, and which is further defined and governed by Section 7.

2.04 Board of Directors shall mean the Board of Directors of Highlander Townhome Condominiums Homeowner Association, Inc.

2.05 Common Elements means those portions of the Condominium property, movable or immovable property, which are not a part of a Unit and which are available for common use by Owners, and which are further defined and governed by Section 5. Common Elements include but are not limited to: a) land, foundations, bearing walls and columns, roofs and stairways; b) all installations of central services such as power, light, gas, and water (but not heating and air conditioning units); and c) recreational areas for common use.

2.06 Common Expenses means the expenses of administration, maintenance, repair and replacement of the Common Elements as declared in the provisions of the Act, as provided herein or as agreed upon as Common Expenses by the Owners, or which may be imposed against the Condominium as a whole by public and quasi-public authorities having jurisdiction and power to impose such charges, and which are further defined and governed by Section 8.

2.07 Condominium means the property regime herein established pursuant to and in accordance with the Act.

2.08 Condominium Documents mean this Condominium Declaration and Exhibits attached hereto.

2.09 Condominium Unit means a Unit, together with the undivided interest in the Common Elements and Limited Common Elements, which constitute inseparable component parts of such Unit in accordance with the provisions of the Act and this Declaration. This definition shall in no way serve to limit any Owner's Ownership Interest where references herein to a Unit or Units include all appurtenant rights.

2.10 Condominium Property means all of the interests in the immovable property described in Exhibit "A", the improvements thereon and the component parts thereof, and all servitudes and other rights attaching to the Condominium Property.

2.11 Declarant means Highlander Townhome Condominiums, LLC, its successors and assigns.

2.12 Declaration means this original Declaration, together with any subsequent amendments.

2.13 Limited Common Elements means those Common elements reserved in the Plat and/or in this Declaration or subsequently established, subject to the exclusive use of one or more, but not all, Units, and which are further defined and governed by Section 5. Limited Common Elements include, but are not limited to, electrical wiring and conduits located entirely within a Unit

or an adjoining Unit and serving only such Unit or Units, porches and patios serving only one Unit, and parking spaces reserved for a particular Unit.

2.14 Limited Common Expenses means the expenses of administration, maintenance, repair and replacement of the Limited Common Elements as declared in the provisions of the Act, as provided herein or as agreed upon as Limited Common Expenses by the Owners and which are further defined and governed by Section 8.

2.15 Managing Agent means any person, partnership, corporation, association or other entity engaged by the Association for the purpose of managing the administration, maintenance, operation, repair, replacement, sale or lease of all or any portion of the Condominium Property, but shall not include real estate brokers engaged exclusively to assist in the sale and promotion of the Units.

2.16 Mortgagee means any agency of a state or federal government, financial institution, corporation, trust, individual, or other entity, which owns or holds a mortgage or security interest encumbering a Unit or Common Elements or Limited Common Elements.

2.17 Mortgage Holder is the Mortgagee holding a security interest encumbering a Unit, whose interest is a security interest granted by the then Owner of a Condominium Unit.

2.18 Owner means the record title Owner(s) of a Unit.

2.19 Ownership Interest means each Owner's undivided percentage ownership of and right to the use and enjoyment of the Common Elements and those Limited Common Elements appertaining to such Unit and said Owners, obligation to pay that portion of the Common Expenses, and those Limited Common Expenses allocated to his Unit; undivided percentage interest in the Surplus allocated to his Unit; and his rights, privileges, and obligations as an Owner, all as described elsewhere in this Declaration.

2.20 Plat means the plats attached to and made a part of this Declaration as **Exhibit "C"** on which the Condominium Property is shown.

2.21 Rules and Regulations means those administrative rules and regulations promulgated by the Association.

2.22 Surplus means that monetary amount in the fund for Common Expenses and Limited Common Expense which at the end of the Association's fiscal year exceeds one hundred ten percent (110%) of the amount required to pay Common Expenses and Limited Common Expenses, and exceeds amounts necessary to maintain required reserves.

2.23 Unit shall have the same meaning as Condominium Unit and means that part of the Condominium Property, which is subject to individual ownership. Unit boundaries are determined in accordance with Section 4. A plat indicating the size and number for each Unit and is shown on Exhibit "C"; The Floor Plan of each Unit. Unit ownership includes such additional and accessory

and accessory rights and obligations as are provided for herein in the Act.

3. **ADDITIONS TO REGIME:**

3.01 Rights Reserved by Declarant. It is the intention of Declarant, and Declarant hereby reserves unto itself and its successors and assigns the right to add additional property, to alter the size and dimension of Units, to add Units, and to add corresponding additional Common Elements and Limited Common Elements to the Condominium hereby declared and created, and to unilaterally supplement and amend this Declaration at any time, including subsequent to relinquishment of Declarant's control as provided herein, in order to implement such additions. If additions are actually added to the Condominium Property, existing Ownership Interests and other rights appurtenant to Unit ownership shall be modified. Declarant further hereby reserves the right to proportionately reallocate the respective percentage interest of each individual Owner in the Common and Limited Common Elements, Common Expenses and Surpluses, all other allocable surpluses, expenses, liabilities, rights and interests appurtenant to Unit ownership; and Declarant reserves the right to reallocate the proportionate voting rights of individual Owners of Units in the Association. Any additional property added to the Condominium shall be subject to the restrictions set forth herein.

3.02 Rights of Owners in Common Elements. Owners of Units in the new phases will share an undivided interest in the Common Elements. The formula for determining the undivided interest in the total Common Elements, after the addition of additional Units and Common Elements, shall be one over the total number of Condominium Units.

3.03 Timing and Order. Additions to the Condominium or alteration to the size and dimensions of a Unit may be made in stages and at different times; no assurances are made as to the order in which additions may be made and no particular portion of any property must be so added. Declarant hereby reserves the sole right to determine additions to the Condominium and to vary, in its sole discretion, the contemplated additions, and improvements thereon. The maximum time period during which additions may be made to the Condominium is seven (7) years following the date of recordation of this Declaration in the public records of East Baton Rouge Parish, Louisiana.

3.04 Style, Quality and Price. Any additions to the Condominium Property and improvements associated therewith shall be compatible with existing improvements in Declarant's sole discretion in the Condominium Property in terms of architectural style, quality of exterior material construction, and principal materials employed in construction. Any additions to the Condominium Property will be substantially completed prior to annexation. Declarant reserves the right, in its sole discretion, to determine the location of improvements that may be made on such additions, and to vary the size of additional Units. The Common Elements shall at all times contain sufficient parking spaces to comply with the minimum parking ratios required for this type of property by the ordinances of the Parish of East Baton Rouge on the date when the units were or are built. All covenants in this Declaration shall apply to Units created within such additional property.

4. **UNIT DESIGNATION, BOUNDARIES, OWNERSHIP:**

4.01 Unit Designation. Each Unit is identified by a specific numerical designation set forth in the Plat as shown on Exhibit "C". Such designation shall be exclusively reserved to identify and distinguish each Unit from any other Unit, or part of the Condominium, and shall, together with the name of the Condominium, constitute a full legal description of the Unit.

4.02 Unit Boundaries. The boundaries of a Unit consist of its interior surfaces of the perimeter walls, floors, ceilings, windows, window frames, doors, and door frames and trim, as well as the air space encompassed thereby and shall further include the interior construction, partitions, appliances, fixtures, heating and air conditioning units and other improvements which are located entirely within such Unit and/or serving such Unit, provided however, that no pipes, drains, wires, conduits, ducts, flues, and/or shafts contained within any Unit and serving, or forming a part of any system, serving more than one Unit or the Common Elements and/or Limited Common Elements shall be deemed to be a part of such Unit. Heating and air conditioning systems are considered part of a Unit although part of a system may be located on a Common Element. *None of the land in the Condominium Property on which any Unit is located shall be separately owned; all land and predial servitudes in the Condominium Property shall constitute part of the Common Elements to be owned in indivision by the Owners through their interest in the Association.*

4.03 Servitudes due to Adjustments. If the construction, reconstruction, repair, shifting, settlement, or other movement of any portion of the improvement results either in the Common Elements encroaching on any Unit, or in a Unit encroaching on the Common Elements or on another Unit, there shall be deemed to exist a valid easement for both the encroachment and its maintenance as long as the physical boundaries of the Units after the construction, reconstruction repairs, etc. are in substantial accord with the description of those boundaries as they appear in the Declaration. The easement shall extend for the entire period over which the encroachment exists.

4.04 Interest in Common Elements. Ownership of a unit also includes an undivided percentage Ownership Interest, which shall form an inseparable component part of each Unit. Each Unit shall have an equal ownership right in the Common Elements.

4.05 Inseparability of Ownership Interest. The ownership of each Unit shall not be conveyed, transferred, encumbered, or otherwise affected separate from the Ownership Interest appertaining to such Unit. Should the legal description in the instrument conveying, transferring, encumbering, or otherwise affecting a Unit refer only to the Unit itself, and not expressly mention appurtenant rights and obligations, an Owner's sale of his Unit shall include the sale of: (i) the undivided interest in the Common Elements and Limited Common Elements appurtenant thereto; (ii) the interest of the owner in any units acquired by the Board of Directors, or its designee, on behalf of the Association, or the proceeds of the sale or lease thereof, if any; (iii) the interest of the owner in any other assets of the Condominium; (iv) the Owner's membership in the Association; (v) the Owner's obligation for Assessments then due and/or accrued but not yet levied; and (vi) any other rights and obligations included within his Ownership Interest.

4.06 Electrical and Other Utility Services. Electricity shall be supplied by the public

utility company serving the area directly to each Unit through a separate meter and each Owner shall be required to pay the bills for electricity consumed or used in his Unit. The water and sewer serving all Units and the electricity serving the Common Elements and Limited Common Elements shall be separately metered, and the Association shall pay such bills as a Common Expense and Limited Common Expense. The Association shall have the authority to assess any extraordinary or unusual water and/or sewer bill against a Unit as a special assessment.

5. COMMON ELEMENTS AND LIMITED COMMON ELEMENTS:

5.01 Common Elements Defined. The Common Elements consist of all of the Condominium Property not shown on the Plat or otherwise designated herein as part of a Unit or a Limited Common Element.

5.02 Limited Common Elements Defined. Limited Common Elements are those Common Elements designated or reserved for the exclusive use of an individual Unit or a number of individual Units, including but not necessarily limited to: balconies, attics, patios, parking spaces, and exterior structures serving a single Unit or one or more adjoining Units (but not air conditioning and heating units, the maintenance and repair of which shall be the obligation of the Unit Owner served by such air conditioning and heating unit).

5.03 No Partition. In order to effectuate the intent hereof and to preserve the Condominium and the condominium ownership regime, the Common Elements and the Limited Common Elements shall remain undivided and no person, regardless of the nature of his interest therein, shall bring any action or proceeding for partition or division of the Common Elements and Limited Common Elements or any part thereof until the termination of the Condominium in accordance herewith or until the Condominium Property is no longer tenantable, whichever first occurs, and in any event, 100% of the Mortgagees must either be paid in full, or consent in writing, prior to bringing an action for partition.

5.04 Nonexclusive Right of Uses. Each Owner shall have the nonexclusive right to use the Common Elements together with other Owners. An Owner shall have the right to use the Limited Common Elements appurtenant to his Unit, for the purpose and manner for which they are intended, such use permitting maximum enjoyment and privacy of the Owners. Each Owner's right of use shall include a right of access, ingress, and egress and shall be in conjunction with the use, occupancy, and enjoyment of a Unit by the Owner, together with all Unit occupants and the Owner's lessee, employees, agents, and guests. This nonexclusive right of use is subject to and in accordance with the provisions of the Act, other applicable laws, this Declaration, the Articles of Organization and the Rules and Regulations. No use thereof may restrict, interfere with, or impede the use thereof by any other Owner. Each Owner, and each successor Owner, shall have an unrestricted right of access to and from his Unit, and such right shall exist until this Condominium regime is terminated.

5.05 Use of Common Elements. The Association shall have the authority to rent, lease, grant concessions, and/or grant servitudes with respect to parts of the Common Elements, subject to the provisions of the Act and this Declaration. All income derived by this Association from any such transactions shall be held for the benefit of the Owners pursuant to the Rules and Regulations.

5.06 Amendment of Ownership Interest. Except as provided herein with respect to the rights of the Declarant, the Ownership Interests established hereby shall not be changed except with the unanimous consent of all Owners and Mortgagees expressed in an amendment to this Declaration and upon recordation in the official records of East Baton Rouge Parish, Louisiana, except in the event of a casualty or expropriation, in which event Sections 9 and 11, respectively, shall govern.

6. USE OF THE CONDOMINIUM PROPERTY:

6.01 Use of Property. In order to provide for congenial occupancy of the Condominium Property and to protect and enhance its value, the use of the Condominium Property shall be subject to restrictions and limitations set forth herein, including those in Section 14, entitled "Use and Occupancy Restrictions," and such restrictions and limitations as may be contained in the Rules and Regulations.

7. THE ASSOCIATION:

7.01 Membership In Association. Each Owner shall be a member of the Association, the membership of which shall at all times consist exclusively of Owners. Unit ownership shall entitle the Owner(s) to one (1) vote per Unit at all meetings of the Association. The voting rights of each Unit being cast in accordance with a percentage, the numerator of which shall be one (1) and the denominator of which shall be the total number of Condominium Units. A copy of the Association's Articles of Organization is attached as Exhibit "B". The Association shall not be deemed to be conducting a business of any kind.

7.02 Rights, Duties and Obligations of Association. Notwithstanding any provision of the Act and this Declaration to the contrary, the Association shall have the following rights, obligations and duties:

- a. The right of entry on any Unit to perform emergency repairs or to do other work necessary for the maintenance of the Condominium Property;
- b. The right to grant permits, licenses, servitudes, and easements over the Common Elements and Limited Common Elements for utilities, roads, and other purposes necessary for the proper operation of the Condominium Property;
- c. The obligation and duty to establish and maintain an adequate reserve fund for the replacement of improvements to the Common Elements and those Limited Common elements that it is obligated to maintain, which fund should be maintained out of regular Assessments for Common Expenses;
- d. The obligation and duty to maintain hazard and flood insurance (if

necessary), liability insurance, and fidelity insurance coverages that are consistent with Federal National Mortgage Association requirements;

- e. The right of action against Owners who fail to comply with the provisions of the Condominium Documents or the decisions made by the Association;
- f. The right to use summary abatement injunctions, temporary injunctions or similar means to enforce restrictions against the Condominium Property for its use, provided that judicial proceedings be instituted before any items of construction can be altered or demolished;
- g. The obligation and duty to maintain a copy of the Declaration (as amended and restated from time to time), the Articles of Organization, Rules and Regulations and other rules concerning the Condominium Property, as well as its own documents, books, records and financial statements and to make such documents, books, records and financial statements available for inspection during normal business hours by Owners or by Mortgage Holders, insurers, and guarantors of first mortgages that are secured by Units. Audited financial statements shall be completed within one hundred twenty (120) days after the end of the Association's fiscal year;
- h. The obligation and duty to maintain, repair and replace, when necessary, the Common Elements and Limited Common Elements.

7.03 Administration by Association. As more fully set forth in its Articles of Organization, the Condominium Property shall be administered, managed and operated by the Association whose powers shall include the following:

- a. To adopt and amend Rules and Regulations;
- b. To adopt and amend budgets for revenues, expenditures, and reserves;
- c. To levy and collect Assessments and Special Assessments (as defined in Section 8.06) when necessary, from the Owners for Common Expenses and Limited Common Expenses and to utilize the proceeds of Assessments in the exercise of its powers and duties;
- d. To establish reserves for maintenance, improvements, replacements, working capital, bad debts, obsolescence and other purposes appropriate to the function of the Association;
- e. To contract for the management of the Condominium and to delegate powers and duties to management entities, employees, agents, consultants, and independent

contractors provided, however, that any such contract shall provide that it can be terminated without the payment of damages upon the Association giving the management company, agent or consultants 90 days notice of its intent to terminate the contract;

- f. To institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two (2) or more Owners on matters affecting the Condominium;
- g. To make contracts and to incur debt and liabilities;
- h. To regulate the administration, use, maintenance, repair, replacement and modification of the Condominium Property, including a Condominium Unit;
- i. To cause additional improvements to be made to the Common Elements and Limited Common Elements;
- j. To acquire, hold, encumber, mortgage, pledge, pawn, hypothecate, sell, assign, transfer, alienate, convey and deliver in its own name any right, title or interest in and to immovable property, (and the component parts thereof), and/or personal or mixed property, provided, however, the Association shall have obtained the consent of sixty-seven (67%) percent of the voting power of the Association;
- k. To grant servitudes, easements, leases, licenses and concessions through or over the Common Elements and Limited Common elements;
- l. To impose and receive payments, fees or charges for the use, rental or operation of the Common Elements, and as to Limited Common Elements, to impose and receive payments, fees and charges for the use, rental and operation thereof on those to whom the Limited Common Elements are allocated;
- m. To impose charges for late payment of Assessments and to levy reasonable fines for violation of this Declaration or the Rules and Regulations;
- n. To impose and collect reasonable charges for the preparation and recordation of amendments to this Declaration, plans, plats and resale certificates required by law or statements of unpaid Assessments;
- o. To engage and pay for the services of professionals such as architects, engineers, surveyors, planners, accountants, auditors and

attorneys;

- p. To provide for the indemnification of its officers, Board of Directors, employees and agents and to maintain liability insurance relative to any indemnification undertaking;
- q. To exercise any other rights and powers conferred upon it from time to time herein;
- r. To exercise all other rights and powers that may be exercised in Louisiana;
- s. To generally exercise any and all other powers necessary and proper for the governance and operation of the Association and the Condominium;
- t. To establish a "**Working Capital Fund**" to meet unforeseen expenditures or to purchase any additional equipment or services. The initial Working Capital Fund shall be in an amount that is at least equal to two months of estimated common charges (monthly Assessments) for each Unit. The initial Working Capital Fund shall be transferred to the Association for deposit to a segregated fund when control of the Association is transferred to the Owners. The Declarant shall not use the Working Capital Fund to defray any of its expenses, reserve contributions, or construction costs or to make up any budget deficits while it is in control of the Association.

7.04 Termination of Membership. Membership in the Association shall automatically terminate (i) upon the conveyance or transfer of an Owner's interest to a new owner, and the new Owner shall simultaneously succeed to the former Owner's membership and (ii) upon conditions set forth in Sections 9 and 11 of this Declaration. An Owner's membership interest cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his Unit. If there are multiple Owners of a Unit, membership in the Association shall be in accordance with their respective percentage ownership in the Unit. Any person or entity holding an interest in a Unit as security for the performance of an obligation shall not be a member of the Association.

7.05 No Personal Liability. Notwithstanding any duty to maintain and repair parts of the Condominium Property, the Association, its officers, directors, committee members and other agents shall not be personally liable for any injury or damage. There shall be no personal liability on the part of the Association caused by any latent condition of the Condominium property maintained and repaired, nor for any injury or damage caused by, in or on the Common Elements or Limited Common Elements or other Owners or persons. The Association shall be responsible for the cost of maintenance and repair of Common Elements.

8. COMMON EXPENSES, LIMITED COMMON EXPENSES, ASSESSMENTS AND LIENS:

8.01 Obligation to Pay Assessments. Except as otherwise provided herein, all Owners shall be obligated to pay the estimated Assessments imposed by the Association to meet the Common Expenses, and Limited Common Expenses including the payment of insurance premiums in accordance with Section 9. Assessments for the estimated Common Expenses and Limited Common Expenses shall be due monthly in advance on or before the first (1st) day of each month. Failure to pay by the fifteenth (15th) day of each month shall require the imposition and assessment of a late charge of \$25.00, plus interest on the unpaid charge at the rate of twelve percent (12%) per annum. Contribution for monthly Assessments shall be pro-rated if the ownership of a Unit commences on a day other than the first (1st) day of a month.

8.02 Purpose and Use of Assessments. The Assessments shall be used in accordance with the rights, duties and obligations set forth in this Declaration, the Articles of Organization and Rules and Regulations of the Association for the purpose of the promoting the health, safety, welfare and recreation of the residents in the Condominium Property, establishing reserves as required in Section 12.04, and in particular for the improvement, maintenance and preservation of the Common Elements and Limited Common Elements and the services and the facilities devoted to said purposes that are related to the use and enjoyment of both the same. Such uses may include, but are not limited to, the cost to the Association of the following: repair, replacement and maintenance of the Common Elements and Limited Common Elements; supplies, materials, parts, services, insurance (as set forth herein); salaries and wages; management costs, taxes and governmental assessments (but not for the Units); legal and accounting fees as may from time to time be authorized by the Association; construction of other facilities; maintenance of servitudes upon, constituting a part of, appurtenant to or for the benefit of, the Common Elements and Limited Common Elements; care and landscaping of the grounds; care of the equipment that is part of Common Elements and Limited Common Elements, roofs and exterior surfaces of the buildings; waste disposal; pest control; common lighting; security service (if contracted for by the Association); expenses incurred in the operation and maintenance of recreation; discharge of any liens on the Common Elements and Limited Common Elements; payment of any deficit remaining from a previous period; and other charges required by this Declaration or which the Association is authorized to incur. In addition, the amount of the Assessment shall be sufficient to permit the Association to establish a reserve fund as set forth in Section 12.04.

8.03 Determination of Assessments. Subject to the limitations set forth in Section 8.04, Assessments shall be determined, levied and collected by the Board of Directors of the Association based upon the cash requirements necessary to provide for the payments of all estimated expenses growing out of or connected with the repair, maintenance, replacement and operation of the condominium Property, the Common Elements and Limited Common Elements and allocated to Units based on their Ownership Interest. The omission or failure of the Board to fix the Assessment for any month shall not be deemed a waiver, modification or a release of the Owners from the obligations to pay Assessments.

8.04 Increase in Assessments. Effective July 1, 2006, monthly Assessments on each Unit shall be \$127.06 per month as shown on Exhibit "E".

8.05 Due Date and Amount. The monthly Assessments provided for herein shall be due on the first (1st) day of the month. The Board shall fix the amount of the monthly Assessments against each Unit at least thirty (30) days prior to June 1st of each year; provided, however, that the Board shall have a right to adjust the monthly Assessments at any time, as long as any such adjustment does not exceed the maximum permitted hereunder. Written notice of the monthly Assessment adjustment shall be sent to every Owner subject thereto.

8.06 Special Assessments. In addition to the Assessments authorized above, the Board of Directors of the Association may determine, levy and collect in any calendar year, a Special Assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, and/or repair or replacement of improvements upon the Common Elements or Limited Common Elements, including the fixtures and personal property related thereto, provided that any such Special Assessment shall be approved by a two-thirds (2/3) vote of the Ownership Interest of Owners voting in person or by proxy at a special meeting duly called for this purpose. In the case of improvements to some, but not all of the Units, Special Assessments may be levied against some, but not all of the Units, provided two-thirds (2/3) of the Ownership Interest of the Owners of the affected Units.

8.07 No Release. No Owner may exempt or relieve himself from responsibility for any Assessment by waiver of the use or enjoyment of any of the Common Elements or Limited Common Elements or by abandonment of the Unit.

8.08 Failure to pay Assessments. In the event that an Owner shall fail or refuse to make payment of the proportionate share of the Common Expenses, Limited Common Expenses or any reserve fund or for any Special Assessment when due, such Owner shall pay the late charge provided in Section 8.01 and the Association shall not be obligated to receive such Owner's payment of the proportionate share without payment of such late charge. The Association may, after notice and a reasonable opportunity to be heard, also levy reasonable fines for violation of the Declaration and/or the Rules and Regulations. No Owner may vote at any meeting of the Association, or be elected to serve on the Board of Directors, if payment of any Assessment is delinquent for more than thirty (30) days and the amount necessary to bring the account current has not been paid at the time of such meeting or election. Additionally, the Association shall give written notice to all Mortgage Holders, insurers and guarantors of Mortgages that have provided the Association with their name and address, of any sixty (60) day delinquency in the payment of Assessments and Special Assessments.

8.09 Failure to Maintain Unit. In the event that a Unit Owner shall fail or refuse to maintain the Unit as required in this Declaration, the Association may, at its election, make such repairs as provided in Section 15.02 of this Declaration.

8.10 Lien for Unpaid Amounts. All Assessments and Special Assessments assessed but unpaid by an Owner for his share of Common Expenses, Limited Common Expenses or any reserve fund, chargeable to his respective Unit and/or any amount assessed due to the failure of an Owner to

maintain the Unit, or fine set out in Section 8.08, including interest thereon at twelve percent (12%) per annum, late charges, costs and reasonable attorney fees, shall constitute a lien on such Unit superior to all other liens and encumbrances to the maximum extent permitted by La. R.S. 9:1123.115, except only for:

- a. All taxes and special assessments levied by governmental and taxing authorities; and
- b. All liens securing sums due or to become due to any Mortgagee or vendor's lien and such mortgage and/or vendor's lien is filed for record in the mortgage or conveyance records of East Baton Rouge Parish, Louisiana prior to the time of the recordation of the privilege hereunder.

To evidence such lien, the Association may, but shall not be required to, prepare a written notice setting forth the amount of such unpaid indebtedness, the date on which the indebtedness became delinquent, the name of the Owner of the Unit and a description of the Unit. Such notice shall be signed by one (1) member of the Board of Directors or any officer of the Association and may be recorded in the Mortgage Records of East Baton Rouge Parish, Louisiana, not more than ninety (90) days after the Assessment became delinquent. Such lien shall attach from the date of recordation in the official Mortgage Records of the Clerk and Recorder. At least seven (7) days prior to the filing for registry of the lien, the Association shall serve upon the delinquent Owner by registered mail or personal service a sworn detailed statement of the claim for delinquent Assessment. The Owner shall be required to pay the costs and expenses of proceedings, the costs and expenses for filing the notice or claim of lien, and all reasonable attorney fees incurred for the preservation and enforcement thereof. The Association shall have the power to bid on the Unit at foreclosure sale held to enforce the lien and to acquire and hold, lease, mortgage and convey same.

8.11 Personal Obligation. The amount of Assessments, Common Expenses and Special Assessment assessed against each Unit shall also be a personal obligation of the owner thereof at the time the Assessment became due. Suit to recover a money judgment for unpaid Assessments, Common Expenses, Limited Common Expenses and Special Assessments shall be maintainable by the Association without foreclosing or waiving the lien securing same. The Board of Directors and the Association shall have the authority to exercise and enforce any and all rights and remedies as provided for in the Act, the Declaration or as are otherwise available at law or in equity, for the collection of all unpaid Assessments.

8.12 Sale Not Release. Sale or transfer of any Unit shall not affect the Assessment lien; provided, however, that the sale or transfer of any Unit pursuant to a foreclosure or a dation en paiement shall extinguish the lien for such Assessments. Nothing in this provision shall be construed as relieving any subsequent Owner from paying further Assessments.

8.13 Date of Commencement of Assessments. The Assessments provided for herein shall commence as to each Unit on July 1, 2006, which date shall be no later than sixty (60) days after the first Unit is conveyed, and shall be due and payable in such manner and on such schedule as provided in this Declaration or the Board of Directors may provide. Assessments and Special Assessments for Units in portions of the additional property hereafter submitted to the terms of this

Declaration, as provided herein, shall commence with respect to each such Unit on the day of the recoding of the amendment to the Declaration so submitting such parcels, and Assessments for each such Unit shall be adjusted according to the number of months then remaining in the fiscal year of the Association and the number of days then remaining in the month in which such Assessments commence.

8.14 Declarant's Obligation to Pay Assessments. The Declarant reserves unto itself to either pay the month assessment set for in the Declaration and/or to fund the expenses of the operation of the Condominium Property, less those dues and assessments paid by Unit Owners of the Condominium Property. The right of Declarant herein shall not affect the obligation of Unit Owners to pay all monthly dues and special assessments set forth herein. The Declarant reserves unto itself the right to elect to pay the monthly assessment only for those Units owned by the Declarant.

9. INSURANCE:

9.01 Insurance Coverage. The Association shall effect and maintain, to the extent reasonably available, the following insurance coverages for the benefit of the Association, the Owners and Mortgagees, as their respective interests may appear:

- a. Insurance for the Condominium Property, including Common Elements, Limited Common Elements, and Units, (but exclusive of additions to, improvements and personal property within, and decorations of the Units) against loss or damage by fire, vandalism, malicious mischief and such other hazards as are covered under standard extended coverage provisions for not less than 100% of the insurable replacement cost of the Common Elements, Limited Common Elements, and Units, and against such other hazards and for such amounts as the Board may deem advisable. The insurance coverage shall include fixtures, improvements, alterations and equipment located within a unit or part of a Unit, and appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security and housekeeping. Insurable replacement costs shall be deemed the cost of restoring the Common Elements and Units or any part thereof to substantially the same condition in which they existed prior to the damage or destruction. Such insurance coverage shall be written in the name of, and the proceeds thereof shall be payable to, the Association as the Trustee for each of the Owners in direct ratio to each Owner's Interest, and for the Mortgagees on his Unit. Such policies of insurance should also contain, a waiver of subrogation rights by the insurer against individual Owners;
- b. Comprehensive general liability insurance, including medical payment insurance, in an amount determined by the Association covering occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership, administration or maintenance of the Common Elements and Limited Common Elements;
- c. Worker's compensation insurance as required by applicable law;

- d. Such other insurance coverages as the Board of Directors may from time to time deem necessary;
- e. Flood insurance, if any portion of the Condominium Property is located in a special flood hazard area;
- f. Fidelity Bonds for all officers and employees of the Association handling or responsible for Association funds. In the event the funds for the Association are held by a professional management company or a designated manager, the Board of Directors may, but shall not be required, to obtain a fidelity bond for all other employees or officers of the Association.

9.02 Insurance as Common Expense. The cost of effecting and maintaining insurance coverages shall be a Common Expenses and shall be allocated by the Association between Owners according to their Ownership Interests. Insurance deductibles on loss or damage to Common Elements and Limited Common Elements shall be borne by the Association, and shall constitute a Common Expense.

9.03 Adjustment of Insurance Loss. Any loss covered by a property insurance policy on the Units, Common Elements and Limited Common Elements shall be adjusted by the Association, but the insurance proceeds for the loss shall be payable to any Insurance Trustee designated by the Association for that purpose, or otherwise to the Association, and not to any Mortgagee. The Insurance Trustee or the Association shall hold any insurance proceeds in trust for Owners and Mortgagees as their respective interests may appear. Subject to the provisions set forth in this Section 9.03, the proceeds of an property insurance policy effected pursuant to Section 9.01 shall be disbursed first for the repair or restoration of the damaged Common Elements, Limited Common Elements, and Units, and Owners and Mortgagees shall not be entitled to receive payment or any portion of the proceeds unless there is a surplus of proceeds after the Common Elements, Limited Common Elements, and Units have been completely repaired or restored, or unless the Condominium is terminated.

9.04 Repair and Replacement of Units and Common Elements. Any portion of a Unit, Common Elements or Limited Common Elements damaged or destroyed shall be repaired or replaced promptly by the Association unless: (i) the Condominium is terminated; (ii) repair or replacement would be illegal under any state or local health or safety statute or ordinance; or (iii) Owners holding eighty (80%) percent of the total voting power in the Association and fifty-one (51%) of the first Mortgage holders elect not to repair or replace the damaged portion. In the event the entire Condominium Property is not repaired or replaced, (1) the insurance proceeds attributable to the damaged Common Elements and Limited Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Condominium Property; (2) the insurance proceeds attributable to Units and Limited Common Elements which are not rebuilt shall be distributed to the Owners of those Units and the Owners to which the Limited Common Elements are assigned; and (3) the remainder of the insurance proceeds shall be distributed to all of the Owners in proportion to their ownership Interest in the Common Elements.

9.05 Failure to Rebuild. In the event the Owner's vote not to rebuild any Unit, that Unit's entire Ownership Interest in the Common Elements, votes in the Association and Common Expense liability shall automatically be reallocated in accordance with the provisions of Section 11.03(d).

9.06 Excess Repair Costs. The cost of repair or replacement in excess of insurance proceeds and reserves shall be a Common Expense, a Limited Common Expense, or both, as the case may be.

9.07 Notice of Insurance Coverage Changes. Each Owner shall be entitled to receive, and upon written request of any Mortgagee or guarantor thereof, or any insured of a Unit, shall be entitled to receive from the Association, by its Board of Directors, a timely written statement setting forth:

- (a) any lapse, cancellation or material modification of any insurance policy maintained by the Association; and
- (b) any casualty loss that affects either a material portion of the Condominium Property or the Unit securing such mortgage or debt.

9.08 Notice Prior to Cancellation. All insurance policies shall require the insurer to provide at last thirty (30) days notice to the Association and any first Mortgage Holder before the insurer cancels or substantially changes coverage.

9.09 Insurance Endorsements. The Association should also obtain the following endorsements to policies of insurance:

- (a) an "Inflation Guard Endorsement" or similar endorsement, when it can be obtained;
- (b) "Building Ordinance or Law Endorsement", if the enforcement of any building, zoning or land-use law will result in loss or damage, increased cost of repairs or reconstruction or additional demolition or removal costs;
- (c) recognition of the Insurance Trust Agreement;
- (d) waiver of rights of subrogation against Owners and members of the household; and
- (e) to the extent required by La. R.S. 9:1123.112, the insurance policies should also provide: (i) the insurance coverage will not be prejudiced by any acts or omissions of an Owner unless the Owner is under the control of the Association; (ii) the insurance coverage will be primary, even if the Owner has other insurance which covers the same loss; and (iii) each Owner shall be considered as an insured under such policies of insurance obtained by the Association.

9.10 Rating of Insurance. Each hazard insurance policy obtained by the Association must be written by an insurance carrier that has an acceptable rating from either the A. M. Best Company; Demotech, Inc.; or Standard and Poor's, Inc., or has reinsurance with a company with such an acceptable rating. An acceptable rating includes, but is not limited to a "B" or better general policyholder's rating or a "6" or better financial performance index rating in Best's *Insurance Reports*, an "A" or better general policyholder's rating and a financial size category of "VIII" or better in Best's *Insurance Reports-International Edition*, an "A" or better rating in Demotech's *Hazard Insurance Financial Stability Rating*, a "BBBq" quality solvency rating or a "BBB" or better claims-paying ability rating in Standard and Poor's *International Confidential Rating Service*.

10. TAXES:

10.01 Separate Tax Parcel. Each Unit, together with its proportionate undivided interest in the Common Elements and Limited Common Elements, shall be deemed a separate parcel and subject to separate assessment and taxation.

10.02 Assessment of Taxes. All taxes and special assessments authorized by law shall be assessed against each individual Condominium Unit. The Condominium Property as a whole, and the Common Elements and Limited Common elements shall not be deemed to be an individual Unit for tax purposes. Each Unit shall be deemed to contain its percentage of undivided interest in the Common Elements and Limited Common Elements which undivided interest shall be included in the computation of taxes and special assessments against the Unit. The taxes and special assessments levied against a Condominium Unit shall constitute a basis for claiming a lien only upon the individual Condominium Unit assessed. There shall be no forfeiture, seizure, or sale of a multi-unit building or the Common Elements or Limited Common Elements as a whole for delinquent taxes or assessments on individual Units.

10.03 Allocation of Tax Assessments. In the event that such taxes or assessments for any year are not separately assessed to each Owner, but rather are assessed on the Condominium Property as a whole, or on any portion thereof subject to undivided ownership interests, then each Owner shall pay his proportionate share thereof in accordance with his respective Ownership Interest, and in such event, such taxes or Assessments shall be a proportionate share of taxes or Assessments for any year in which taxes are assessed on the Condominium Property as a whole.

11. EXPROPRIATION:

11.01 Taking by Expropriation. If all or any part of the Condominium 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 shall and hereby is designated and authorized to represent the Owners, as the agent and attorney-in-fact of each Owner, and shall be entitled to participate in negotiations, settlements and/or proceedings incident thereto. The appointment of the Association as the agent and attorney-in-fact is an appointment coupled with an interest and shall be irrevocable. The expense of participation in such proceedings by the Association shall be a Common Expense. The Association shall give timely written notice of the existence of such proceedings to all Owners and to all first Mortgage holders known to the Association to have an interest in any Unit. The

Association, as attorney-in-fact, is specifically authorized to retain 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 and to pay for the services of anyone so retained. All damages or awards for any such taking shall be deposited with the Association, as attorney-in-fact of each Owner, and such damages or awards shall be applied as provided herein. In the event that an action in eminent domain is brought to condemn a portion of the Common Elements (together with or apart from any Unit), the Association, as attorney-in-fact, in addition to the general powers set out herein, shall have the sole authority to determine whether 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 proceeding.

11.02 Distribution of Proceeds. With respect to any such taking, all damages and awards shall be determined for such taking as whole and not for each Owner's interest therein. After the damages or awards for such taking are settled or otherwise determined, any proceeds or awards therefrom shall be payable to the Association for the benefit of the Owners and their Mortgagees, the distribution of which proceeds shall be based on the relative value of each Unit and in accordance with the Owner's fractional Ownership Interests in the Common Elements and if the award is for the expropriation of Limited Common Elements, then the proceeds shall be distributed to the Owner or Owners to which that Limited Common Element appertains. In the event it is determined by the Association that such Common Elements should be replaced or restored by obtaining other land or building additional structures, this Declaration and the map attached hereto shall be duly amended by an instrument executed by the Association as attorney-in-fact on behalf of the Owners.

11.03 Partial Taking. In the event that such eminent domain proceeding results in the taking of or damage to one (1) or more, but less than seventy-five (75%) 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, in its sole discretion, determine which of the Units damaged by such taking may be made tenantable for the purposes set forth in this Declaration, taking into account the nature of the Condominium and the reduced size of each Unit so damaged;
- b. The Association shall, in its sole discretion, determine whether it is reasonably practicable to operate the remaining Units of the Condominium including those damaged Units which may be made tenantable, as a Condominium in the manner provided in this Declaration.
- c. In the event that the Association determines that it is not reasonably practicable to continue to operate as a Condominium, the undamaged Units and the damaged Units which can be made tenantable, and upon recordation in the conveyance Records of East Baton Rouge Parish of an amendment to this Declaration to that effect, then the Condominium Property shall be deemed to be regrouped and merged into a single estate owned jointly in undivided interest by all Owners, in the proportionate interest previously owned by each Owner in the Common Elements.

- d. In the event that the Association determines it will be reasonably practicable to operate the undamaged Units and the damaged Units which can be made tenantable, then the damages and awards made with respect to each Unit which has been determined to be capable of being made tenantable shall be applied to repair and to reconstruct such Unit so that it is made tenantable. If the cost of such work exceeds the amount of the award, the additional funds required shall be assessed against those Units which are tenantable (but nothing herein requires an assessment against all Units). With respect to those Units which may not be made tenantable, the award made shall be paid as set forth in this Section and the remaining portion of such Units, if any, shall become part of the Common Elements. Upon the payment of such award for the account of such owner as provided herein, such Unit shall no longer be a part of the Condominium, and the proportionate Ownership Interest appurtenant to each remaining Unit which shall continue as part of the undivided interest in the Common Elements among the reduced number of Owners.

11.04 Taking in Excess of 75%. If seventy-five (75%) percent or more of the Units are taken or damaged by such taking, all damages and awards shall be distributed to Owners in proportion to their Ownership Interests in the Common Elements; and this Condominium shall terminate upon such payment, unless the Owners representing sixty-seven (67%) percent of the total allocated vote in the Association and fifty-one (51%) percent of the first Mortgagees of the total allocated Units vote to continue the Condominium. Upon such termination, the Units and Common Elements shall be deemed to be regrouped and merged into a single estate owned in undivided interest by all Owners according to their previous Ownership Interests.

11.05 Notice of Expropriation. Upon the written request of any Owner, insurer, Mortgagee or guarantor thereof of a Unit, the Association by its Board of Directors, shall issue a timely written statement setting forth any condemnation or expropriation or threat thereof that affects either a material portion of the project or the Unit securing the mortgage or loan.

12. PROTECTION OF MORTGAGEE:

12.01 Notice by Mortgagee. An Owner who mortgages his Unit shall notify the Association and provide the Association with the name and address of his Mortgagee. A Mortgagee may notify the Association of the fact that it holds a mortgage on a Unit. Any Mortgagee, insurer, or guarantor of a Mortgage may file a request for notice by providing the Association with a written request for notice, its name and address and the Unit against which it has a mortgage, which it insures, or which it guarantees. The Association shall have no independent duty to obtain such information or to obtain subsequent addresses in the event such party relocates its offices.

12.02 Notice of Default. The Association may, in its sole discretion, unless obligated to otherwise, notify any Mortgagee holding a security interest on Units in the Condominium Development, of any default by the Owner/Mortgagor in the performance of such Owner/Mortgagor's obligations which might result in a lien upon the Unit, which has not been cured within thirty (30) days.

12.03 Right to Inspect Books. The Association shall permit first Mortgagees the same right of examination of its books and records as is enjoyed by Owners. The Association shall furnish each first Mortgagee providing notice under Section 12.01, with an annual financial statement of the Association, certified by an officer of the Association, within one hundred twenty (120) days following the end of the fiscal year of the Association. Further, a Mortgagee may, at its own expense, perform an audit of the Association's books and records during normal business hours and upon giving the Association twenty (20) days notice of its intent to audit. The Association shall cooperate with the Mortgagee during the course of its audit.

12.04 Establishment of Reserves. The Association shall establish an adequate reserve fund for replacement of Common Elements and Limited Common Element components and shall fund such reserves by regular monthly payments rather than by extraordinary Special Assessments. The fund also known as the Reserve Fund (the "**Reserve Fund**") may be used to meet unforeseen expenditures or to purchase any additional equipment or services. The Reserve Fund shall be in an initial amount that is at least equal to two (2) months of estimated Common Expenses for each Unit. Any amounts paid into the Reserve Fund shall not be considered as advance payments of regular Assessments. The Reserve Fund shall be deposited in a segregated fund maintained by the Association. The Reserve Fund shall not be used by the Declarant to defray any of its expenses, reserve contribution or construction costs to make up any budget deficits while it is in control of the Association.

12.05 Notice of Meetings to Mortgagee. The Association shall furnish each first Mortgagee upon request, prior written notice of all meetings of the Association advance notice of which is given and will permit a representative of each Mortgagee to attend such meetings. One (1) such request shall be deemed to be a request for prior written notice of all subsequent meetings of the Association advance notice of which is given.

12.06 Approval by Mortgagee of Termination. The prior written approval of each first Mortgagee shall be required in the case of abandonment or termination of the Condominium regime, except for abandonment or termination provided by law in the case of substantial destruction by fire or other casualty in which case Section 9 shall govern or in the case of a taking by condemnation or eminent domain in which case Section 11 shall govern.

12.07 Notice to Mortgagee of Damage. The Association shall furnish all Mortgagees who have so requested in writing, written notice of any substantial damage or destruction of any Unit exceeding 10,000 and No/100 (\$10,000.00) Dollars and of any part of the Common Elements and Limited Common Elements exceeding 10,000 and No/100 (\$10,000.00) Dollars.

12.08 Term of Management Agreement. Any management agreement entered into by the Association shall be terminable by the Association with or without cause upon the giving of not more than ninety (90) days written notice to the management company. The term of such management agreement shall not exceed an original term of one (1) year, but may be automatically renewable for successive terms of one (1) year. In the event of the termination of the management agreement, as provided herein, the Association shall not be liable or responsible for payment of any

penalty or damages arising out of the termination and may enter into a new management agreement with a new managing agent prior to the effective date of the termination of the prior management agreement.

12.09 Priority of Tax Liens. Subject to provisions more fully outlined in Sections 8 and 10, all taxes, Assessments, Special Assessments and charges which may become liens prior to a first Mortgage shall relate only to the individual Units and not to the Condominium property as a whole.

12.10 Vote of Mortgagee. Unless all of the first Mortgagees (based upon one (1) vote for each first mortgage owned), and Owners of the individual Units have given their prior written approval, the Association shall not be entitled to:

- a. By act or omission, seek to abandon, partition, subdivide, mortgage, sell or transfer, the Common Elements, except as otherwise provided in this Declaration; or
- b. Use hazard insurance proceeds for losses to any condominium Property (whether to Units or to Common Elements), except in accordance with Section 9.

12.11 No Priority Over Mortgagee. No provision contained in this Declaration shall be construed as giving an Owner, or any other party, priority over any rights of first Mortgagees in the case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or taking of a Unit and/or Common Elements.

13. OBLIGATIONS AND DUTIES OF OWNERS:

In addition to obligations and duties set forth elsewhere herein or contained in the Act, this Declaration, or the Rules and Regulations, every Owner shall:

13.01 Comply with Declarations. Abide by the Declaration and Rules and Regulations.

13.02 Pay Assessments. Promptly pay the Assessments and Special Assessments levied by the Association. Assessments and Special Assessments and/or installments thereof, which are paid on or before fifteen (15) calendar days after the date upon which they become due and payable shall not bear interest, but thereafter such sums remaining unpaid shall bear interest at the rate of twelve percent (12%) per annum from the date due until paid, in addition to a late charge of \$25.00

13.03 Maintenance of Unit. Each Owner shall maintain, repair and replace at his own cost and expense all portions of his Unit requiring maintenance, repair and replacement so as to maintain the Unit as near as possible to its condition when new and first ready for occupancy. Each Owner shall also maintain, repair and replace at his own cost and expense the air conditioning and heating units serving his Unit, including those portions of the heating and air conditioning system located on the exterior of Units, the roofs, or on Limited Common Elements.

13.04 Negligence of Owner. An Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness or by that of any

occupant of his Unit, or of his employees, agents, lessees and invitees, but only to the extent that such expense is not met by the proceeds of insurance carried and collected by the Association. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy, or abandonment of a Unit.

13.05 Clearing of Debris. In no event shall an Owner permit damaged property to stand within the Unit and shall expeditiously clear the condominium Unit of all damage, trash and debris. In the event that the Owner fails to do so, the Association may, after ten (10) calendar days after the delivery of written demand to the Owner, cause the condominium Unit to be cleared and shall have the power to assess and collect from the Owner a Special Assessment to cover the cost and expense of so doing. Collection of this Special Assessment shall entitle the Association to attorney fees and to a lien and privilege as provided in Section 8.

13.06 Declarant's Obligation for Unsold Units. The Declarant enjoys the same rights and assumes the same duties as they relate to each individual unsold Unit.

14. USE AND OCCUPANCY RESTRICTIONS:

The use of the Condominium Property shall be subject to the following general limitations:

14.01 General Restrictions. Each Owner shall maintain his Unit in good condition and in good order and repair, at his own expense, and shall not display, hang, store or use any clothing, sheets, blankets, laundry or other articles outside the Unit, or which may be visible from the outside of his Unit (other than draperies, curtains, or shades of a customary nature and appearance) or paint or decorate or adorn the outside of his Unit, or install outside his Unit any canopy or awning, without the prior written consent of the Board of Directors.

14.02 Increase in Insurance. Nothing shall be done or kept in any Unit, or in any part of the Common Elements or Limited Common Elements, which will increase the rate of insurance on any Unit, Common Element or Limited Common Element without the approval of the Board of Directors. No Owner shall permit anything to be done or kept in his Unit, or in any part of the Common Elements or Limited Common Elements which will result in the cancellation of insurance on any Unit, Common Element or Limited Common Element, or which would be in violation of any law. No waste will be permitted on any part of the Common Elements or Limited Common Elements.

14.03 Signs. No sign of any kind shall be displayed to the public view on or from any Unit, any Common Element or any Limited Common Element, without the approval of the Board of Directors, except such signs as may be used in connection with the sale of Units.

14.04 Nuisance. No nuisance, public or private, no noxious, offensive, improper, immoral or unlawful activity or activity constituting a nuisance or which, in the judgment of the Board of Directors, may cause unreasonable noise or disturbance to others shall be conducted or maintained in the Condominium Property. All laws, orders, rules, regulations or requirements of any public authority having jurisdiction over the Condominium Property shall be observed and complied with.

14.05 Electrical and Sound Equipment. No Owner shall install outside his Unit any radio, television, antenna or other electrical equipment, fixtures or items of any kind, without the prior written permission of the Board of Directors, which permission may be later revoked. All radio, television antenna or other electrical equipment of any kind or nature installed or used in or outside each Unit shall fully comply with all rules, regulations, requirements or recommendations of the public authorities having jurisdiction, and the Owner alone shall be liable for any damage or injury caused by any radio, television or other electrical equipment installed in or outside such Unit. Satellite reception devices are prohibited except as the Association may approve by a vote of the majority of the Unit Owners.

14.06 Wiring. No Owner shall overload the electrical wiring or operate any machines, appliances, accessories or equipment in such manner as to cause, in the judgment of the Board of Directors, an unreasonable disturbance to others, or connect any machines, appliances, accessories or equipment to the Common Elements or Limited Common elements, without the prior written consent of the Board of Directors.

14.07 Garbage and Trash. Trash, garbage and other waste shall be kept only in sanitary containers, and shall be disposed of in a clean and sanitary manner as prescribed from time to time in the Rules and Regulations.

14.08 Prohibited Vehicles. Except as permitted by the Rules and Regulations (which may completely prohibit the same) of the Association, no trailer, motor home, boat, recreational vehicle or large, commercial-type vehicle of any kind shall be parked or stored on the Condominium Property except in spaces that may be specifically designated for that purpose. No vehicle shall be repaired or rebuilt on the Condominium Property, and no inoperative vehicle may be kept on the Condominium Property. Motorcycles, motorbikes, motorscooters, and similar vehicles shall not be operated on the Condominium Property except directly between a parking space and public roads. Parking spaces shall be used for parking purposes only. The decision of the Board of Directors shall be final with respect to the prohibition of a vehicle or activity under this subsection.

14.09 Heating and Air Conditioning Equipment. Heating, ventilating and air conditioning equipment and solar energy systems shall be located solely in areas designated by the Board of Directors.

14.10 Building Materials. No building materials or equipment of any kind may be placed or stored on the Condominium Property by an Owner, except as required on a temporary basis to perform repairs or renovations to the Unit.

14.11 Pets. No animals or fowl may be kept on the Condominium Property, except that the keeping of small, orderly domestic pets (e.g. dogs, cats or caged birds) not to exceed one (1) pet per Unit and fifty (50) pounds per pet is permitted subject to the Rules and Regulations; provided, however, that such pets are not kept or maintained for commercial purposes or for breeding; and provided, further, that any such pet causing or creating a nuisance or disturbance or noise shall be permanently removed from the Condominium Property upon ten (10) days after delivery of written

notice from the Board of Directors. Such pets shall not be permitted upon the Common Elements or Limited Common Elements unless accompanied by an adult and unless carried or leashed. Any Owner who keeps or maintains any pet upon any portion of the Condominium Property shall be deemed to have indemnified and agreed to hold the Association and other Owners free and harmless from any loss, claim or liability of any kind or character arising by reason of keeping or maintaining such pet within the Condominium Property. All pets shall be registered with the Board of Directors and shall otherwise be registered and inoculated as required by law. The Board of Directors may establish reasonable fees for registration of pets not to exceed the additional costs incurred by the Association resulting from the presence of such pets.

14.12 Waterbeds. No waterbeds shall be permitted in any Unit without the express written consent of the Board of Directors.

14.13 Security. Owners, shall, at all times, comply with the Rules and Regulations as the Association may promulgate for the security of the Condominium Property and its Owners and occupants.

14.14 Washers/Dryers. The washer/dryer area located on the property shall be for the exclusive use of owners.

14.15 Timesharing Arrangements. No Unit shall be subjected to or used for any timesharing, cooperative, licensing or other arrangements that would entail weekly, monthly, or any other type of revolving or periodic occupancy by multiple Owners, cooperators, licensees, or timesharing participants.

14.16 Leases of Units. No Owner may lease less than his entire Unit. All leases shall be in writing, and shall provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration, Articles of Organization and Rules and Regulations, and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease.

14.17 Parking Spaces. Each Unit shall be assigned one (1) parking space. All other parking spaces shall be used by visitors and guests of Owners for parking on a "first come, first serve" basis. Owner shall be limited to the assigned parking spaces, unless the prior written consent of the Board of Directors is obtained.

14.18 Decision of the Board of Directors is Final. The decision of the Board of Directors, in the event of any dispute or controversy involving the interpretation of these restrictions or the applicable use of any Units, shall be final and not subject to appeal or judicial review.

15. MAINTENANCE OF UNIT: ARCHITECTURAL CONTROL:

15.01 Architectural Control. The Board of Directors shall insure that the Condominium Property shall always be maintained in a manner: (i) providing for visual harmony and abundance of repair; (ii) avoiding activities deleterious to the aesthetic or property values of the Condominium Property; (iii) furthering the comfort of the Owners, their guests and tenants; and (iv) promoting the

general welfare of the Condominium Property.

15.02 Owner Subject to Rights and Duties. Each Owner shall be subject to all the rights and duties assigned to Owners under this Declaration. The Association shall have the authority to seek legal enforcement of all provisions of the Declaration, including, but not limited to, the right to seek enforcement by specific performance. All Owners acquiring a Unit hereby consent to the remedy of specific performance if such remedy is asserted by the Association.

15.03 Unrestricted Access. Each Owner has an unrestricted right of ingress and egress to his Unit. This right shall be perpetual so that it passes with the Unit as transfers of ownership of the Unit occur. Any conveyance, encumbrance, judicial sale, or other transfer (voluntary or involuntary) of an Ownership Interest in the Common Elements or Limited Common Elements will be void unless the Unit to which that interest is allocated is also transferred.

15.04 Right of Entry. Each Owner will permit access by the Association to maintain or to perform emergency repairs to the Condominium Project.

15.05 Right of Owners to Enforce. Each Owner has the right, individually or in conjunction with other Owners, to file legal action against the Association to force the Association to enforce the Declaration. In addition, each Owner has a right of action against other Owners who fail to comply with the Declaration or the decisions of the Association.

16. MISCELLANEOUS:

16.01 Amendments and Modifications. Except as otherwise provided, this Declaration may be amended by the favorable vote of Owners who represent at least sixty-seven (67%) percent of the total allocated votes in the Association. "Material Modifications" may only be adopted by the favorable vote of owners who represent sixty-seven (67%) percent of the total allocated votes in the Association, plus the favorable vote of first Mortgage Holders who represent at least fifty-one (51%) percent of the votes of Units that are subject to mortgages. A change to any of the provisions governing the following would be considered as a Material Modification:

- a. Voting rights;
- b. Increases in Assessments that raise the previously assessed amount by more than twenty-five (25%) percent, change to Assessment liens, or the priority of Assessment liens;
- c. Reductions in reserves for maintenance, repair, and replacement of Common Elements and Limited Common Elements;
- d. Responsibility for maintenance and repairs;
- e. Reallocation of interests in the Common Elements or Limited Common Elements, or rights to their use;

- f. Redefinition of any Unit boundaries;
- g. Convertibility of Units into Common Elements or vice versa;
- h. Expansion or contraction of the Highlander Townhome condominium project, or the addition, annexation or withdrawal of property to or from the project;
- i. Hazard or fidelity insurance requirements;
- j. Amendment to the restrictions on the leasing of units contained in Section 14.17;
- k. Imposition of any additional restrictions on an Owner's right to sell or transfer the Unit;
- l. A decision by the Association to establish self-management;
- m. Restoration or repair of the Highlander Townhome condominiums (after damage or partial condemnation) in a manner other than that specified in Article 9 and 11 of this Declaration;
- n. Amendment to any provisions that expressly benefit Mortgage Holders, insurers, or guarantors.

16.02 Conflicts. This Declaration is set forth to comply with the requirements of the Act. In case any provision of this Declaration directly conflicts with the provisions of the Act, the provisions of the Act shall control, except where such provision constitutes a permissible deviation from the terms of the Act.

16.03 Severability. The invalidity or unenforceability of any part of this Declaration shall not impair or affect in any manner the validity or enforceability, or effect of the balance, of this Declaration.

16.04 Gender. As used herein, the masculine gender shall include the feminine, and the singular shall include the plural, and vice versa whenever the context so requires.

16.05 Headings. The headings and subheadings herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration or the intent of any provision thereof.

16.06 Waiver. No restriction, condition, obligation or provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

16.07 Termination. This Declaration may be voluntarily terminated upon the affirmative vote of Owners representing at least eighty (80%) percent of the total allocated votes in the Association, and the affirmative vote of at least sixty-seven (67%) percent of the first Mortgage Holders. A termination in the event of a casualty or condemnation shall be governed by Sections 9 and 11, respectively. Upon a voluntary termination of the Declaration, the Condominium Property (including, but not limited to, all Common Elements and Limited Common Elements) shall be owned in indivision by the Owners. The percentage of undivided ownership of an Owner in such property shall be based on the percentage of ownership in the Common Elements. Privileges and mortgages upon individual Units shall, following their withdrawal, be upon the respective undivided shares of the withdrawing Owners in the Condominium property withdrawn.

16.08 Enforcement. The Association shall have the authority to enforce the Declaration whether by specific performance, injunction and/or the assessment of damages. The Association shall be entitled to recover damages, attorney fees and court costs in any action in which it seeks to enforce this Declaration.

16.09 Control by Declarant. Notwithstanding any other language or provision to the contrary in this Declaration, in the Articles of Organization or in any other instrument evidencing or establishing the Condominium, Declarant hereby retains and shall have the right to appoint and remove any member or members of the Board of Directors of the Association and any officer or officers of the Association for as long as the Declarant owns a Unit, until but not beyond the earlier of four (4) months after seventy-five (75%) percent of the Units in the Condominium have been conveyed to third party purchasers or three (3) years after the date of the conveyance of the first Unit to a third party purchaser. Upon the expiration of the period of Declarant's right to appoint and remove directors and officers of the Association pursuant to the provisions of this Section, or such earlier time as agreed to in writing by the Declarant, such right shall pass to the Owners, including Declarant if Declarant then owns one or more Units, and a special meeting of the Association shall be called within a reasonable time thereafter. At such special meeting the Owners shall elect a new Board of Directors which shall undertake the responsibilities of the Board of Directors, and Declarant shall deliver all books, accounts and records, if any, which Declarant has kept on behalf of the Association during such period and which Declarant has in its possession. Nothing contained herein shall limit in any way Declarant's rights provided in Section 3 of this Declaration.

16.10 Amendments by Declarant. During any period in which Declarant is the owner of a condominium, he/she retains the right to appoint and remove any directors and officers of the Association, Declarant may amend this Declaration by an instrument in writing filed and recorded in the Records of the Office of the Clerk of Court in East Baton Rouge Parish, Louisiana, without the approval of any Owner or Mortgagee; provided, however, that, with the exception of the addition of any portion of the property pursuant to Section 3 of this Declaration, any Material Modification shall be subject to the requirements contained in Section 16.01 herein. Notwithstanding the foregoing to the contrary, the expiration or termination of the right of Declarant to appoint and remove any directors and officers of the Association shall not terminate Declarant's right to amend the Declaration for the purpose of submitting the additional property or any portion thereof to the provisions of this Declaration. Any amendment made pursuant to this Section shall be certified by Declarant as having been duly approved by Declarant, and by such Owners and Mortgagees if

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

THUS DONE, READ AND SIGNED in Baton Rouge, Louisiana on this 27 day of June, 2006 in the presence of the undersigned competent witnesses and me Notary in duplicate originals after a due reading of the whole.

WITNESSES:

HIGHLANDER TOWNHOME, LLC

Will S. Marshall
Will S. Marshall

Renee Jacobs
Renee Jacobs

G. Allen Walsh
By: G. Allen Walsh, Managing Member

Mary Ann Mabile
NOTARY PUBLIC #11697
Mary Ann Mabile

EXHIBIT "A"

PROPERTY DESCRIPTION

ONE CERTAIN LOT OR PARCEL OF GROUND, together with all the buildings and improvements thereon and all of the rights, ways, privileges, servitudes, appurtenances, and advantages thereunto belonging or in anywise appertaining, situated in the Parish of East Baton Rouge, State of Louisiana, in that subdivision known as SUBURB SOUTH BATON ROUGE, and designated on a map made by R. Swart, C.E., on December 23, 1935, as revised, a blueprint of which is attached to Original 95, Bundle 1040, in the office of the Clerk and Recorder of this Parish, as LOT Z-FIVE (Z-5) "Leo Franques," said SUBURB SOUTH BATON ROUGE, said lot measures fifty (50) feet on the east side of Highland Road by a depth on its north side of Four Hundred Ten and 7/10 (410.7') feet, running back to Corporation Canal, and a depth of Four Hundred Twenty Nine and 2/10 (429.2') feet on its south line, running back to said canal, and has a width on its rear or easterly line of Fifty Three and 7/10 (53.7') feet along the west side of the canal.

Municipal Number: 3005 Highland Road, Baton Rouge, Louisiana 70802