STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

Declarant:

2590 Associates, LLC

ORIG: 925 BNDL: 12329 6/15/2011 2:51:26 PM

FILED AND RECORDED
EAST BATEN ROUGE PARISH, LA
CLERK OF COURT AND RECORDER

CUSTOMER PROVIDED COPY FOR CERITFIED TRUE COPY

BY Cosemery Caren
DEPUTY CLERK AND RECORDER

AMENDED AND RESTATED RESIDENTIAL DECLARATION FOR

ROUZAN

BATON ROUGE, LOUISIANA

382934.1

© 2010, 2011 by Daniel K. Slone. This document has been licensed for use by 2590 Associates, LLC and Traditional Communities, L.L.C. (collectively, the "Licensee") and may be reproduced and amended in connection with Rouzan but may not be used or adapted for any other real estate development or reproduced for any other purpose without permission.

Table of Contents

Char	Page Page
1.	Overview of the Community1
	Vision for the Residential Neighborhood; The Neighborhood Association; The Business Association; The Institute
2.	Community Life
	Part I: The Neighborhood Association
	Part II: Neighbors
	Use of the Residential Parcel; Safety and Appearance; Pets; Rules and Regulations; Role of the Chancellor; Enforcement; Initiation of Litigation by the Neighborhood Association
3.	Physical Surroundings
	Part I: The Neighborhood Commons
	Part II: Private Domains
4.	Architectural Standards
	Part I: Rouzan Design Standards
	Part II: Review Process
5.	Finance
	Part I: The Neighborhood Association Budget
	Accounting; Budget; Reserves and Deferred Maintenance; Unanticipated or Extraordinary Expenses; Capital Improvements; Zone Expenses; Contracts for Maintenance

	Part II: Assessments on Residential Parcels Allocation of Assessments; Transfer Fees; Collection of Assessments; Notice to	39
	Purchasers	
6.	The Future	45
	Additional Neighborhood Association Powers; Amendment; Duration	
7.	Definitions	48
8.	Miscellaneous Provisions and Signatures	53
Appe	endix I: The Early Years	58
	Board; The Neighborhood Commons; Finance; Assignment of Developer Rights; Additional Information	

2590 ASSOCIATES, L.L.C., a Louisiana limited liability company (the "Investor"); and TRADITIONAL COMMUNITIES, L.L.C., a Louisiana limited liability company (the "Founder"), make this Amended and Restated Residential Declaration for Rouzan as of the 15 day of June, year of 2011.

STATEMENT OF PURPOSE

Rouzan is a mixed-use community in Baton Rouge, Louisiana, and is being developed as a "traditional neighborhood." The Investor owns the property which shall become Rouzan. The Founder may, from time to time, acquire and develop the property into Rouzan. The Investor and the Founder originally caused a Residential Declaration for Rouzan, dated as of September 23, 2010, to be recorded in the official records of the Clerk and Recorder for the Parish of East Baton Rouge, Louisiana or such other place in Parish of East Baton Rouge where real estate documents and records relating to title to real estate are maintained (the "Clerk's Office"), on October 6, 2010, as Original 998, Bundle 12273 (the "Original Residential Declaration"). The Founder owns all of the property within the Residential Neighborhood, as defined below, and the Rouzan Neighborhood Association has not been established or incorporated as of the date of this Amended and Restated Residential Declaration for Rouzan. The Investor and the Founder now record this Amended and Restated Residential Declaration for Rouzan to reference and address a Community Development District within Rouzan. The Original Residential Declaration, as amended and restated by this document, shall be referred to as the "Residential Declaration."

The Investor and the Founder hereby record this Residential Declaration to establish the Rouzan Neighborhood Association (the "Neighborhood Association") to enhance community life, to institute and enforce certain covenants and restrictions, to provide for further maintenance of Rouzan and Neighborhood Commons, including identified streets, alleys, parks, walks and utility facilities, and to allow for self-governing of Rouzan by its Owners.

Rouzan is subject to the Rouzan Community Operating Agreement, as amended by the Amended and Restated Community Operating Agreement for Rouzan, which is recorded immediately prior hereto in the official records of the Clerk's Office, and as further amended from time to time (the "Community Operating Agreement"). A separate declaration for the Business District within Rouzan, as amended from time to time (the "Non-Residential Declaration") has been or will be recorded to create a business owners association (the "Business Association") and to regulate and maintain the commercial portions of Rouzan. The plan for Rouzan and the relationship between the various recorded instruments are described in the Community Operating Agreement.

This Residential Declaration is intended to provide for the needs of residential property wherever located within Rouzan.

382934.1

DECLARATION

The Investor and the Founder hereby establish the Community as all of that property in Baton Rouge, described on <u>Exhibit A</u> and submits to this Residential Declaration that portion of the Community described in <u>Exhibit B</u> (the "Residential Neighborhood").

The Investor and the Founder hereby declare that this Residential Declaration, including Appendix I of this Residential Declaration, shall run with the land and be binding upon all parties having any right, title or interest in the Residential Neighborhood, and which shall inure to the benefit of every Owner in the Residential Neighborhood or any portion of it and to the benefit of the Investor and the Founder.

Except to the extent expressly provided in this Residential Declaration and any Supplemental Declaration, all of the rights, powers, and duties of the Neighborhood Association and the Owners, who are members of the Neighborhood Association, including the Owner's voting rights, shall be governed by the Articles and Bylaws of the Rouzan Neighborhood Association The Neighborhood Association shall also have all of the rights, powers, and duties provided in the Louisiana Homeowners Association Act, La. Rev. Stat. § 9:1141.1 et seq.

How the *Rouzan Residential Declaration* Works

This Residential Declaration looks significantly different from most property owners' association documents. It is based on the premise that communities have personalities just like people, and that the personality is usually established at the beginning of the community's life. Typical documents, which tell everyone what they have to do and what they can't do, teach property owners to enforce rules. This document takes a different approach by teaching people the principles behind running their community.

This Residential Declaration begins with an overview of the community and ends with a look at the future. In between are four chapters concerning Community Life, Physical Surroundings, Design Standards and Finance. Each of these four middle chapters has two parts. The first part considers the issue from a community-wide viewpoint, while the second part brings the issue to the level of the resident.

Although the meanings of most words should be apparent from the context, definitions are provided in Chapter 7.

Appendix I concerns development issues and is an integral part of the Residential Declaration during the community's early years. The Appendix is no longer necessary after the Founder no longer controls the development.

Most chapters contain two types of information: Descriptive text and "Quick View" information.

The text that begins each chapter provides the philosophical framework that the Owners need to make decisions. Not every issue and concern can be anticipated, and the text does not try to cover every possible situation. Instead, the text helps the community through the decision-making process.

Quick View outlines some of the basic issues discussed in the chapter in the format of a table or grid. Although it sometimes summarizes information presented in the text, Quick View may also present new information. Quick View helps to define roles and to draw distinctions between related ideas.

The Residential Neighborhood relies on the covenants – agreements between neighbors – set out in this Residential Declaration. By taking title to property within the Residential

Neighborhood, Owners agree to these covenants, which are legally binding and enforceable against both the Owner and the property.

We hope that an association that follows the guidance outlined in this Residential Declaration will avoid many of the disputes and conflicts that can divide a neighborhood. However, in the event of legal action, the descriptive text and Quick View portions of this Residential Declaration, including information set out in table form, are to be interpreted as legally binding. As Quick View often abbreviates information from the descriptive text, any apparent conflict should be resolved in favor of the descriptive text.

Quick View: The Neighborhood Association and The Business Association

	Neighborhood Association	Business Association
Purposes	Maintain the Neighborhood Commons, support the covenants, provide resources for residents and help prevent or resolve conflicts between neighbors.	Maintain and support the Business Commons, provide resources for non- residential entities and prevent or resolve conflicts between commercial neighbors or commercial and residential neighbors.
Legal Status	Nonprofit corporation	Nonprofit corporation
Members	All individuals or entities owning Residential Parcels within Rouzan.	All individuals or entities owning Commercial Parcels within Rouzan.
Primary Source of Funds	Assessments on Residential Parcels within Rouzan, secured by a lien on those properties.	Assessments on Commercial Parcels within Rouzan, secured by a lien on those properties.

Community Life, Part I: The Neighborhood Association

All Owners of Residential Parcels in the Residential Neighborhood are automatically members of the Neighborhood Association during the period of their ownership. Membership in the Neighborhood Association is a legal right and obligation attached to the property. New Residential Parcel Owners become members in the Neighborhood Association upon transfer of title to the land. Except as expressly provided, when Owners vote on matters addressed in this Residential Declaration, their vote is weighted in the same way as relative values are assigned to Residential Parcel types, as discussed in Chapter 5, Part II. Owner votes on matters set forth in the Bylaws or Articles of Incorporation may be on a different basis, as provided in those documents.

This Chapter contains some of the most important provisions concerning Neighborhood Association operation and voting procedure. Additional provisions are contained in the Neighborhood Association's Bylaws and Articles.

Neighborhood Association Operation

The operation of the Neighborhood Association relies on the following individuals:

- The Board of Directors ("Board"). Most decisions about the Neighborhood Association are the responsibility of the Board, acting on the Owners' behalf. The Board shall consist of at least three (3) people. Unless specifically provided otherwise, the Board has the authority to act on behalf of the Neighborhood Association and to make all decisions necessary for the operation of the Neighborhood Association, the care of the Neighborhood Commons and the enforcement of covenants contained in this Residential Declaration. The Founder appoints the directors until all the Residential Property has been sold to Owners other than the Investor, the Founder or either their designated entities, or until the Developer voluntarily relinquishes its right to appoint some or all of the directors.
- <u>President</u>. The President, who is elected by the Board, is the chief executive of the Neighborhood Association and is empowered to make decisions within the scope of authority described by the Board and this Residential Declaration. The President

executes the details of projects authorized by the Board and handles matters that arise between Board meetings, within the scope of authority established in the Bylaws or by the Board. The President must be a member of the Board. Candidates for President must be sitting on the Board with time remaining equal to the term of the President's office.

Chancellors. The Chancellors are not officers of the Board. However, Chancellors play an important role in the life of Rouzan. The Chancellors may mediate disputes among Owners, Tenants or Occupants related to the requirements of the Rouzan Design Standards, or any rules giving the Board, Owners, Tenants and Occupants a forum to work out differences and find solutions. Depending on the circumstances, the Chancellors may act individually or more than one Chancellor may act as a panel. If disputes cannot be resolved by mediation, the Chancellors may make recommendations to the Board. The Board determines the number of Chancellors (there may be one or more Chancellors in Rouzan) and may decide to make the Chancellor a paid professional position, in which case, the Board will select a mediator, attorney or other professional for each available Chancellor position. Chancellors are elected by the Owners unless the Board has determined that Chancellors are to be paid professional positions. If there are insufficient numbers of candidates for Chancellor, the Board may select the remaining Chancellors.

The Board will also elect a Vice President, a Secretary, a Treasurer and other such officers as described in the Bylaws. These officers have the following responsibilities:

- Vice President. A Vice President takes the place of the President and performs the duties of the President whenever the President is absent or unable to act. If neither the President nor a Vice President is able to act, the Board shall appoint some other member of the Board to act in the place of the President on an interim basis. A Vice President also performs such other duties as required by the Board or by the President and, except as specified, has all of the general powers and duties of a Vice President of a corporation organized under the Louisiana Nonprofit Corporation Law, La. Rev. Stat. § 12:201 et seq. If there is more than one Vice President, the Board determines which Vice President acts.
- Secretary. The Secretary (i) keeps the minutes of all meetings of the Neighborhood Association and of the Board; (ii) has charge of such Residential Declarations and papers as the Board directs; (iii) maintains a register listing the place to which all notices to Owners and Mortgagees are to be delivered; (iv) upon request delivers statements of all unpaid assessments applicable to a particular Residential Parcel to be conveyed; (v) executes notices of delinquent assessment(s); (vi) executes notices of and releases of liens for delinquent assessments, and (vii) performs the duties of a Secretary described in the Bylaws and the Louisiana Nonprofit Corporation Law, La. Rev. Stat. § 12:201 et seq.

Treasurer. The Treasurer is responsible for managing (i) the Neighborhood Association's funds and securities; (ii) keeping full and accurate financial records and Residential Declarations of account showing all receipts and payments; (iii) preparing all required financial data; (iv) depositing money and valuables in the appropriate bank or other institution as designated by the Board; and (v) in general, performing all the duties of a treasurer of a corporation organized under the Louisiana Nonprofit Corporation Law, La. Rev. Stat. § 12:201 et seq.

The President and Directors are not paid for their services; however, they are reimbursed for actual expenses. If one or more Chancellors are hired by the Board rather than elected, the Chancellors would be paid for service to the Neighborhood Association on terms negotiated by the Board. Chancellors may be hired on a part-time or as-needed basis.

Election Procedure

The Board regulates election procedure and sets policy concerning voter registration and the casting of ballots. The Bylaws contain additional provisions concerning the election procedure.

Elections, Casting Votes. Once the Owners have the right to elect Class A Directors, then the Owners directly elect the relevant directors to the Board. The Owners also elect the Chancellor(s), unless the Board has decided to hire the Chancellor(s).

- The Board. An Owner may cast his votes for as many candidates as there are Directors to be elected. An Owner is not required to use all his votes; however, no cumulative voting shall be permitted. For example, if there are three seats to be filled and the Owner has one vote, the Owner may cast one vote each for one, two or three candidates, but shall not cast more than one vote for any particular candidate. If the Owner is eligible to cast two votes, the Owner may cast two votes a piece for each of up to three candidates. The candidates receiving the highest number of votes shall be declared elected. Directors may be elected by a plurality; a majority is not required.
- <u>Chancellor(s)</u>. The Chancellor(s) are also elected by the Owners unless the Board has determined that the Chancellor(s) are to be paid professional positions. However, if there are insufficient numbers of candidates for Chancellor, the Board may select the remaining Chancellor(s).

Board Meetings

The Board usually meets on a monthly basis but may meet more or less often depending on the community's needs. The Board must meet at least four times a year. Notice of Board meetings is to be posted or Owners otherwise notified of the meeting schedule. Owners are welcome to

382934.1

attend Board meetings, but their right to participate in discussion may be limited by meeting rules established and published by the Board. The Board may go into executive session to discuss certain issues including possible or pending litigation and personnel matters.

Voting. Voting at a Board meeting requires presence of at least a majority of the Directors, in person or by telephone conference or, if allowed by law, by proxy. While face to face meetings are beneficial and should be conducted when practicable, it may be difficult at times to get a quorum of Directors together in a timely manner. If permitted by law, any action required to be taken by vote of the Board may be taken in the absence of a meeting (or in the absence of a quorum at a meeting) by obtaining the written approval of a majority of the Board or by unanimous consent. With the approval of all Directors, and if permitted by law, meetings may be conducted by telephone. Rules about quorums and voting procedures are provided in the Bylaws and may be affected by applicable statutes.

Neighborhood Meeting and Voting

Although the elected Board makes most decisions, election of the Board and certain other decisions require the participation of all Owners. Notice of each annual or regularly scheduled meeting of the Neighborhood Association must be sent or delivered personally at least ten days and not more than sixty days before each meeting. The notice must state the time and place of the meeting.

Notice of any other Neighborhood Meetings must be sent at least at least ten days and not more than sixty days before such a meeting. This notice must state the time, place and purpose of the meeting. Notice of any meeting at which Owners are to vote on amendments to the Articles, a plan of merger, a proposed sale of assets under Louisiana Revised Statutes §§ 12:237 and 12:243 or the dissolution of the Neighborhood Association must be given as required by Louisiana Revised Statutes §§ 12:250 and 12:250.1.

Rules about notice of meetings for amending articles of incorporation and other actions, quorums and voting procedures are provided in the Bylaws and may also be affected by applicable statutes.

For those decisions requiring Owners' approval, a Neighborhood Meeting provides a public opportunity for discussion and voting. As a convenient reference and not as a limitation, actions which may under the terms the Residential Declaration require a vote of the Owners, or assent in writing, include the following:

Approval of General Assessments when increased more than 159	%Chapter 5, Part I
Ratification of expenditures for capital improvements	Chapter 5, Part 1
Approval of Zone expenses	Chapter 5, Part 1
Repeal of additional services	
Amendment or termination of Residential Declaration	

Records

The Board must keep a record of all Board meetings and other Neighborhood Association meetings. For each action taken, the record should state the vote and a description of the action approved and, where applicable, the reasons why the action was considered necessary and a summary of the information on which the decision was based. Any Owner has the right to review the Neighborhood Association's records, at reasonable times, and can make copies or pay to have copies made for a reasonable fee. To the extent permitted by law, certain records may not be made available to Owners if genuine privacy considerations exist.

The Neighborhood Association should use available technology for effective, timely communication to Owners.

Use of Professional Management

The Board may hire a professional manager, either an individual or a management company, for the Neighborhood Association. Some typical duties of the manager are as follows:

- Determining day-to-day maintenance needs and dispatching personnel or service providers as necessary (although major contracts would go through the Board and possibly a bidding process as well),
- Supervising vendors, employees and service providers and making payment to them,
- Collecting assessments (including past-due notices as necessary),
- Keeping the books and records of the Neighborhood Association and preparing budgets and financial statements (and working with an accountant as necessary),
- Mailing or posting notices of meetings, election information and other communications to Owners, and
- Answering inquiries from Owners (and referring some questions to the Board or its attorney as necessary).

In contrast, Board members are not paid (except to be reimbursed for expenses). The Board selects the manager and must work with the manager and provide guidelines. Board members make such policy decisions as adopting the budget and determining assessment levels, making significant employment decisions and approving major contracts. They decide what major repair or replacement projects will be undertaken and the general level of service to be provided.

Community Life, Part II: Neighbors

This Residential Declaration doesn't have long lists of rules.

Instead, the concept is simple: neighbors shouldn't create unreasonable disturbances or unsafe conditions and neighbors should tolerate a certain amount of activity, noise, pets and exuberant children as part of a vibrant community.

Use of the Residential Parcel

Residential and Business Uses. Rouzan is intended as a mixed-use community where, in addition to single and multi-family residences, offices, retail and civic uses thrive. Non-residential uses are subject to the Non-Residential Declaration and the Community Operating Agreement. These commercial and civic uses are an integral part of a pedestrian-friendly community and allow people to obtain some goods and services and interact without having to use an automobile. Businesses must use reasonable measures to dispose of garbage properly and to minimize the impact of noise and odor on the surrounding area. However, residents near businesses need to recognize that a certain amount of noise and odor may be unavoidable.

Home-based Businesses. Subject to the Unified Development Code, a home-based business that does not generate significant noise, odor, parking demand or traffic is permitted in Rouzan. The Board may establish reasonable hours of operation for home-based businesses that are visited by individuals.

Garage Sales. Garage sales, estate or yard sales, sample sales and similar kinds of sales activity from Residential Parcels is permitted on an occasional basis in accordance with the Unified Development Code. The holding of frequent sales from a particular residence will be considered a business and may be regulated, limited or prohibited by the Neighborhood Association.

Leasing. Residential Parcels or separate residential units within a Residential Parcel, such as an outbuilding apartment ("auxiliary structure" as described in the Rouzan Planned Development Ordinances), may be rented, so long as the Tenants and Occupants comply with the covenants for neighborhood life contained in this chapter. The Neighborhood Association may establish a minimum lease term. Tenants and associated Occupants may use the Neighborhood Association's recreational facilities through a limited number of recallable recreational memberships. An Owner's house and any outbuilding on a Residential Parcel shall not be rented to two different parties. For example, the outbuilding cannot be rented to a different party than the renter of the main building, but the Owner may live in the main house and rent the 382934.1

outbuilding, or vice versa. The Neighborhood Association may prohibit the leasing of any Residential Parcel or residential unit within a Residential Parcel while the Owner is in default in the payment of Assessments and may attach rentals if the Residential Parcel or residential unit within the Residential Parcel is leased while the default exists.

Safety and Appearance

Generally. Each Owner must keep his Residential Parcel in good order and repair and free from debris. The Rouzan Design Standards or the Neighborhood Association may regulate placement and maintenance of garbage and trash containers and fuel or gas storage tanks (including the prohibition of such tanks) and other matters affecting the attractiveness or safety of Residential Parcels.

Signage. No sign, advertisement or notice of any type (other than those erected by the Founder or the Neighborhood Association or those specifically approved by the Rouzan Design Committee ("RDC")) shall be erected or displayed on any Residential Parcel. "For Sale" or "For Rent" signs are allowed but are limited to a uniform size, style, design and placement as specifically permitted by the RDC. Political campaign signs are permitted, subject to reasonable regulation.

Vehicles: The Rouzan Design Standards or the Neighborhood Association may regulate or prohibit the parking of trailers, recreational vehicles, nonfunctioning, oversized or excessive number of vehicles or equipment, and may require that garage doors be kept closed except when entering or leaving the garage. Motor boats may not be stored in any yard in Rouzan.

Sports Equipment: Play structures, such as basketball hoops and swing sets, must be kept in good repair and their location may be limited, in accordance with the Rouzan Design Standards, to back yards or alleys. The Neighborhood Association may regulate or prohibit large play structures such as skateboard ramps that are visible from outside the Residential Parcel.

Temporary Structures: The Rouzan Design Standards may prohibit or regulate construction trailers, tents, shacks, barns, sheds or other structures of a temporary character that are visible from outside the Residential Parcel. However, reasonable occasional use of tents for festive occasions or children's backyard camping is part of life and should be enjoyed.

Pets

Pets are welcome so long as the pets do not cause an unsafe condition, unreasonable disturbance or annoyance or public nuisance. The Neighborhood Association may regulate the number, type and size of pets (including particular breeds of dogs deemed to create unreasonable danger) and may prohibit the keeping of animals other than customary household pets, which it may define.

382934.1

The Neighborhood Association may designate specific areas within the Neighborhood Commons where pets may be walked, may prohibit pets on other areas, may require pet owners to collect and dispose of animal waste and may require pets to be on leash.

Rules and Regulations

The writing of rules is one way to address specific issues that arise within the community. The Neighborhood Association may adopt or amend Rules and Regulations interpreting or expanding upon the basic principles of this Chapter and other portions of this Residential Declaration, including but not limited to, rules about vehicles, sports equipment, temporary structures and satellite dishes. Rules should strive to address the problem in the least restrictive way. A copy of the current Rules and Regulations will be made available upon request.

Effective Date. Rules and Regulations of the Neighborhood Association take effect immediately upon approval by the Board, or at a later date selected by the Board. If requested by the President, a Board member, or ten percent (10%) of all the Owners by written petitions, a special meeting must be called and, if a quorum is present, any Rule or Regulation may be repealed by majority (seventy-five percent (75%) during the Period of Founder Control) vote of the Owners, present in person or by proxy. Rules and Regulations of the Founder are effective upon their adoption by the Founder and may not be repealed or amended by the Owners during the Period of Founder Control.

The Rules and Regulations, as adopted from time to time, are incorporated by reference into this Residential Declaration. In the event of a conflict between any provisions in the Rules and Regulations and this Residential Declaration, the provisions of this Residential Declaration control. The Rules and Regulations of each of the Neighborhood Association and the Business Association shall apply only within the areas of their ownership, their members' ownership or public areas immediately adjacent to these areas.

Role of the Chancellor

When problems with covenant enforcement arise, the Board or any Owner, Tenant or Occupant may file a request with the Board for a Chancellor to hear the issue. The Board may authorize, in advance, categories or types of issues that may be heard by the Chancellor without first coming to the Board. The Board has the authority to approve or deny the use of a Chancellor to attempt to mediate agreement. If requested by the Board or the Chancellor to which the case is assigned, and if there is more than one Chancellor, the case will be heard by more than one Chancellor, sitting as a panel. The Chancellor or panel will notify the resident who is believed to be in violation, as well as the Owner of the Residential Parcel, if different, and set a convenient date for a mediation session.

Mediation Session. The Chancellor operates primarily as a mediator. The object of the mediation session is to hear the various viewpoints and to attempt to reach an agreement that is acceptable to all parties. Sessions must be conducted with tact, dignity and respect. The Chancellor or panel has the discretion to decide if the complaining party should participate in the mediation session.

Agreement. The Chancellor or panel is to evaluate whether the resident has caused an unreasonable disturbance or other violation, and, if so, to help reach a resolution within the general principles set out in this Chapter. If the parties reach agreement, the agreement is to be summarized in writing and signed by the parties. The Chancellor's office is to keep a copy of the agreement. The Chancellor or panel has the right to consider whether the same problem has arisen in the past and whether the Owner or resident has complied with previous agreements in evaluating the current agreement. If agreement is not reached, or if the parties do not comply with the agreement, the Chancellor or panel may make a report and recommendation to the Board for further action. The affected Owner, Tenant or Occupant has the opportunity for a hearing before the Board. The decision of the Board is final, subject to any subsequent court action.

Enforcement

Each Owner and the Owners' Occupants, Guests and Tenants are required to abide by the covenants contained in this Residential Declaration, which are covenants running with the land, and any Rules and Regulations adopted by the Neighborhood Association. Each Owner is responsible for assuring such compliance, and any violation by Occupants, Guests or Tenants may be considered to be a violation by the Owner. If the Chancellor cannot resolve a violation, the Board is empowered, on behalf of the Neighborhood Association, to take necessary legal steps to enforce the covenants contained in this Residential Declaration.

If the Chancellor determines that the problem is not satisfactorily resolved, the Board will notify the Owner of the date of the Board meeting at which the matter will be discussed. After hearing the report from the Chancellor and giving opportunity for the Occupant (and Owner, if different) to be heard, the Board may take any of the following actions:

• Fines. The Board has the right to assess fines up to the maximum allowed by law and may restrict the resident's use of the Neighborhood Commons for up to sixty (60) days or until the violation is remedied, whichever is longer. However, the primary goal of this Chapter is not to punish but to resolve problems. The Neighborhood Association may suggest or approve agreements and suspend payment of a fine if the agreement is honored. Fines shall be charged against the Residential Parcel as an Individual Residential Parcel Assessment. Any fines collected shall be contributed to the general fund of the Neighborhood Association.

- Pets. If the Board finds that a pet causes an unsafe condition, unreasonable disturbance or annoyance or public nuisance, it may require the Owner, Tenant or Occupant to take steps to cure or limit the offensive condition. If such steps are ineffective, if the resident or Owner fails to cooperate or if the pet is considered to create an unsafe condition or unreasonable disturbance or annoyance, the Neighborhood Association may require that an Owner, Tenant or Occupant permanently remove the pet from Rouzan.
- Corrective Action for Enforcement Rights. If the Board determines that any Owner is in violation of this Residential Declaration, the Rouzan Design Standards, or applicable Rules and Regulations, or has failed to maintain any part of a Residential Parcel (including the yard and any wall, fence, or building for which the Owner is responsible) in a clean, attractive and safe manner, in accordance with the provisions of this Residential Declaration, the Rouzan Design Standards or applicable Rules and Regulations, the Board shall notify the Owner of its findings and may assess fines. If the violation continues for ten (10) days after notice to the Owner, the Neighborhood Association shall have the right without liability to enter the Residential Parcel to correct, repair, restore, paint and maintain any part of such Residential Parcel, including but not limited to landscaping, and to have any objectionable items removed from the Residential Parcel. The Board may reduce or eliminate the time for notice if it believes the condition creates a hazard. All costs related to such action are to be assessed to the Owner as an Individual Residential Parcel Assessment. The Board may also assess a management fee for activities that it must take to correct, repair, restore, paint or maintain any part of such Residential Parcel on behalf of an Owner. If, in accordance with this section, authorized agents of the Association enter upon any Residential Parcel to abate or remove a violation or breach of this Residential Declaration, the Rouzan Design Standards, or the Rules and Regulations, neither the Person entering the Residential Parcel nor the Person directing the entry shall be deemed liable for any manner of trespass for such action. This paragraph shall not apply to Residential Parcels so long as they are owned by the Investor or the Founder.
- <u>Tenant Violations</u>. If, after notice to both the Owner and Tenant and opportunity for a hearing, the Board determines that a Tenant has violated this Residential Declaration or Rules and Regulations, the Neighborhood Association may assess fines against the Owner and otherwise enforce this Residential Declaration or Rules and Regulations.
- Additional Remedies. All remedies listed in this section are non-exclusive and may be applied cumulatively. The Neighborhood Association shall also have the right to bring suit to enforce the covenants contained in this Residential Declaration, including the right to an injunction and to recover damages for any violation

Failure to Enforce Not a Waiver of Rights. No delay or failure on the part of an aggrieved Person to invoke any available remedy in respect to a violation of any provision of this Residential Declaration shall be held to be a waiver by the Person of (or an estoppel of that Person to assert) any right available to such Person upon recurrence or continuance of such violation or the occurrence of a different violation, nor shall there be imposed upon the Founder, the Association, the Association's board or any Rouzan Design Committee a duty to take any action to enforce this Residential Declaration.

Initiation of Litigation by the Neighborhood Association

The Neighborhood Association shall not initiate any judicial or administrative proceeding without prior approval by Owners entitled to cast seventy-five percent (75%) of the total votes other than those of the Founder in the Neighborhood Association. However, no such approval shall be required for actions or proceedings:

- Initiated during the Period of Founder Control;
- Initiated to enforce the provisions of this Residential Declaration, including collection of assessments and foreclosure of liens;
- Initiated to challenge ad valorem taxation or condemnation proceedings;
- Initiated against any contractor, vendor, or supplier of goods or services arising out of a contract for services or supplies; or
- To defend claims filed against the Neighborhood Association or to assert counterclaims in proceedings instituted against it.

Quick View: The Chancellor, the Board and the President

	The Chancellor	The Board	The President
General Duties	Hears and mediates covenant issues.	Makes major policy decisions concerning Neighborhood Association operation, maintenance of the Neighborhood Commons and budgeting decisions.	Makes day-to-day decisions within a scope of authority established in the Bylaws or by the Board.
Role in Covenant Enforcement	Brings the parties together to discuss possible covenant violations and mediates an agreement. If the agreement is not reached or is ineffective, the Chancellor may present the problem to the Board.	Has the power to enforce the covenants through fines, clean-up of Residential Parcels (billed to the Owner), or legal action if necessary. Has the power to approve the use of Chancellor(s) to mediate agreement.	Carries out decision of Board.
Special Qualifications	None unless the Board converts the Chancellors to a paid professional position. Not required to be Owner or Occupant.	None. Not required to be Owner or Occupant.	Must be a member of the Board.
Term of Office	If elected, a two-year term. No limit on number of terms.	Staggered two-year terms except during the period of Founder control.	One-year term except during the period of Founder control.

Physical Surroundings, Part I: The Neighborhood Commons

Some of the open space, recreational areas and other commonly used portions of the Residential Neighborhood may be owned by the Richland Community Development District (the "CDD"). The Neighborhood Association may be responsible for maintenance of the CDD-owned areas. If the Neighborhood Association owns any other commonly used portions of Rouzan, they will be called the Neighborhood Commons. In most cases, the Neighborhood Association will hold title to the Neighborhood Commons in fee simple. In other cases, the Neighborhood Association's ownership may be in the form of servitudes, * leases or other rights. Similarly, open space, recreational and other commonly used portions of Rouzan not owned by the CDD may be owned by the Business Association and are known as the Business Commons. The Business Association may also have a servitude, lease, or other rights in the Business Commons.

Community Areas

Most of the Neighborhood Commons in Rouzan are intended for the mutual benefit and enjoyment of the community. The Neighborhood Commons of Rouzan may include parks, open space, silos, paths, tot lots, recreation areas, BMPs and stormwater management facilities, a post office, a community meeting hall, streets and alleys that are not publicly dedicated but are intended for public use, and sidewalks, street trees, tree/furniture zones, designated on-street parking zones and street lighting that are not dedicated to City of Baton Rouge or, if dedicated, require a higher level of maintenance than the City provides. Neighborhood Commons may include areas that are privately owned, areas that are publicly owned but maintained by agreement with the Founder and areas that are owned by the Neighborhood Association. Neighborhood Commons shall be maintained in accordance with the environmental standards set forth in the Rouzan Design Standards. Areas shall become Neighborhood Commons if they are shown on the survey referenced in Exhibit A as Neighborhood Commons or if shown as such in any Supplemental Declaration. The boundary or character of a Neighborhood Commons may be changed by Supplemental Declaration.

^{*} A servitude under Louisiana law is similar to an easement. 382934.1

Use of the Neighborhood Commons

Every Owner has, and is hereby granted, a non-exclusive servitude for appropriate use and enjoyment of the Neighborhood Commons. This servitude passes with title to the Owner's Residential Parcel and is automatically extended to Tenants, Guests and Occupants provided that (i) the Owner of the property that they occupy shall be responsible for the manner of such use, and (ii) the Owner may withdraw consent for such use by written notice to the Neighborhood Association. The servitude is subject to the Neighborhood Association's right of regulation in accordance with this Residential Declaration and is also subject to any limitations that may be contained in the conveyance of that portion of the Neighborhood Commons to the Neighborhood Association. There shall be no adverse possession of the Neighborhood Commons by any Owner. Each Owner agrees that he or she shall have no claim of adverse possession and hereby waives any and all such claims he or she may have now or in the future.

Any other member of the public, not an Owner, Occupant, Guest or Tenant, shall be deemed a guest of the Neighborhood Association when using the Neighborhood Commons and only the Neighborhood Association or its designees shall have the authority to set the rules for the privilege of use of the Neighborhood Commons or suspend or revoke such privileges.

Open-Air Markets, Festivals and Other Events. Rouzan is intended to be a vibrant community with activity that brings people together. The Board may permit use of portions of the Neighborhood Commons for various events.

As part of these events, the Board may rent or assign space for pushcarts, kiosks, stands or temporary sales structures and may permit the erection of tents and banners. Such uses may be only for special events or on a recurring basis. However, other than where specified in this Residential Declaration, no contract shall be for a period of longer than a year, including all renewal options. Any revenue from events is to benefit the Neighborhood Association or other charitable or community-enriching organization.

Rules of Usage of Community Areas. Use of Neighborhood Commons must be in accordance with this Residential Declaration, the Rules and Regulations, and for the use of parks, the following:

a. An Owner, Tenant or Occupant must arrange for the use of parks for any gathering, class, party, wedding or event through the Neighborhood Association. The Neighborhood Association may approve the functions in accordance with the Rules and Regulations and has the right to require evidence of compliance with the requirements of this Residential Declaration and the Rules and Regulations and the right to bar use of the parks by anyone not complying with these provisions in advance or during an event. The Neighborhood Association may bar any Owner, Tenant, Occupant or Guest from event use of the parks for a period of up to one (1) year for a violation of this Residential Declaration. After three violations, an Owner, Tenant, Occupant or 382934.1

Guest may be permanently barred by the Neighborhood Association. The Neighborhood Association may charge a reasonable scheduling fee to cover costs associated with its duties under this section.

- b. Any Owner, Tenant or Occupant conducting an event in a park must take the steps necessary to prevent the event from precluding reasonable use by others of the park; provided that portions of the park may have limited access for a reasonable period as approved by the Neighborhood Association.
- c. Any Owner, Tenant or Occupant conducting an event in a park must take the steps necessary to prevent the event or people arriving or departing from the event from unreasonably interfering with traffic around the park or damaging cars parked adjacent to the park. Any Owner, Tenant or Occupant conducting an event in a park must take the steps necessary for the removal of all trash, signs, tables, chairs or other property associated with the event promptly following the event and for generally restoring the park to its pre-event condition and may be subject to fees, fines and suspension of use privileges for failure to do so.
- d. Any Owner, Tenant or Occupant conducting an event in a park shall be responsible for providing proper trash and recycling receptacles and rest room facilities for the event and for the prompt removal of these receptacles and facilities after the event and the proper disposition of trash and recyclables and may be subject to fees, fines and suspension of use privileges for failure to do so.
- e. Any Owner, Tenant or Occupant conducting an event in parks shall not charge a fee for access to the park, though fees may be charged for concessions or otherwise in accordance with the Rules and Regulations and applicable law.

Damage or Destruction of Neighborhood Commons. If any Neighborhood Commons or Improvements on a Neighborhood Commons is damaged or destroyed by an Owner, Tenant or Occupant of a Residential Parcel within Rouzan, or by family members, guests (but not including individuals in Rouzan as customers or clients of the Owner) or agents of the Owner, Tenant or Occupant, the Owner shall be liable for such damage or destruction and the Owner must, within fifteen (15) days after it occurs, repair the damage in a good and workmanlike manner and restore any damaged Neighborhood Commons, Improvement or facility to its existing state before the damage or destruction occurred. In circumstances where the Neighborhood Association or the Founder determines that a shorter response period is appropriate, the fifteen (15) days period may be shortened. If the Owner does not repair the damage as described above, then the Founder, during the Period of Founder Control, or the Neighborhood Association may repair the damage at the Owner's expense. The Owner may also be charged a management fee if the Neighborhood Association is required to repair the damage on behalf of the Owner because the Owner does not repair the damage. If the damage is unsightly or dangerous as determined by the Founder, during the Period of Founder Control, or the Neighborhood Association at its sole discretion, the Founder, during the Period of Founder Control, or the Neighborhood Association 382934.1

has the right to repair the damage immediately and charge the Owner responsible for the damage for the cost of the damage plus a management fee after the repair has been completed. The cost of the repairs becomes a Special Assessment on the Residential Parcel of the Owner and constitutes a lien on the Owner's Residential Parcel and a personal obligation of the Owner. This lien is collectible in the same manner as other Assessments set out in the Residential Declaration. The Founder, during the Period of Founder Control, or the Neighborhood Association may bring an action for damages, specific performance, declaratory decree or injunction, or any other remedy at law or in equity to enforce the provisions of this Section.

Delegation of Use; Sale. Any Owner may temporarily delegate his right of enjoyment in the Neighborhood Commons to any Tenants or Occupants of the Owner's Residential Parcel and to its customers, invitees or guests, subject to the terms of this Residential Declaration and any Rules and Regulations established from time to time. This right cannot be conveyed except as an appurtenance to Residential Parcels within Rouzan. The Founder, the Neighborhood Association, or any owner of a portion of the Neighborhood Commons may dedicate or convey all or any part of such area to any public agency or authority with the consent of the Founder or, if neither the Investor north the Founder owns any property within Rouzan, then with the consent of the Board.

Limitation of Liability. The Neighborhood Association is not an insurer of safety and makes no warranty and assumes no liability for any loss or injury in use of the Neighborhood Commons or otherwise.

Maintenance and Capital Improvements

The Neighborhood Association is responsible for the management, control and improvement of the Neighborhood Commons. In addition, the Neighborhood Association shall be responsible for the maintenance of "ride-share," van and car pool parking areas that are part of the Neighborhood Commons or are provided by agreement with a civic or commercial enterprise within Rouzan. At a minimum, the Neighborhood Association must keep the Neighborhood Commons and any identified ride-share, van or carpool parking areas, clean and in good repair. The Neighborhood Association may also make capital improvements to the Neighborhood Commons and may modify the uses of the Neighborhood Commons. Any changes to the Neighborhood Commons must be approved in accordance with the architectural review standards of Chapter 4.

To the extent reasonably necessary, the Neighborhood Association has, and is hereby granted, a servitude over each Residential Parcel for maintenance of the Neighborhood Commons. The Neighborhood Association also has, and is hereby granted, a servitude with respect to any improvements constructed on the Neighborhood Commons that unintentionally encroach on a Residential Parcel, whether due to any minor deviation from the subdivision plat of Rouzan or the settling or shifting of any land or improvements.

382934.1

Roads, Utilities, Drainage

The Neighborhood Association manages the various systems within the community that are part of the Neighborhood Commons. The Neighborhood Association has the benefit of certain servitudes, and also has the power to grant servitudes to others, such as granting to a utility company rights for utility installation and maintenance. The following are some of the Neighborhood Association's rights and responsibilities:

Common Road Regulation. To the extent permitted by law, the Neighborhood Association may make Rules and Regulations concerning driving and parking within Rouzan and may construct traffic calming devices as approved by the Board, with Founder approval during the Period of Founder Control, post speed limit or other traffic signs and take any other reasonable measures to discourage excessive speed and encourage safe driving on the Common Roads. While parking requirements for all uses in Rouzan are set forth in the Unified Development Code, additional parking requirements, such as limiting parking duration or requiring decals for Owners, Tenants or Occupants, may be set forth in an Owner's deed, in a Supplemental Declaration filed on a Residential Parcel, or in the Rules and Regulations. Each Owner, Occupant, and their tenants and guests shall comply with all applicable parking requirements. Any failure to comply shall be a violation of this Residential Declaration as well as a violation of the document creating the parking requirement. To the extent permitted by local government, the Neighborhood Association may enforce any violation in accordance with Chapter 2 and may tow offenders.

Surface Water or Stormwater Management System. The Neighborhood Association has the power to maintain proper drainage within Rouzan. In the exercise of this power, the Neighborhood Association shall have a blanket servitude and right on, over, under and through the ground within Rouzan to inspect, maintain and correct drainage of surface water and other erosion controls. This servitude includes the right to cut or remove any vegetation, grade soil or take any other action reasonably necessary for health or safety or to comply with governmental requirements. The Neighborhood Association shall notify affected Owners and Occupants (except in an emergency) and shall restore the affected property to its original condition as nearly as practicable. The surface water or stormwater management system shall be managed as follows:

a. Each Owner of a Parcel in Rouzan shall have the duty to maintain in good repair and working order, all portions and elements of the stormwater management system, including without limitation, cisterns, permeable surfaces, gutters, infiltration devices or areas, rain barrels, rain gardens, green roofs, and biotreatment swales that may be located on the Owner's Parcel unless the Neighborhood Association has agreed in writing to maintain such elements. No Owner shall take any action to modify or diminish the effectiveness of the elements of the stormwater management system located on that Owner's Parcel without prior written approval by the Neighborhood Association. Such Owner shall promptly replace or restore the stormwater 382934.1

management system elements if they are damaged or wear out. Each Owner shall keep the stormwater management system elements on such Owner's property cleaned out as necessary to provide proper performance.

- The Neighborhood Association has the power to maintain proper drainage and to b. maintain the stormwater management system within all parts of Rouzan. In the exercise of this power, the Neighborhood Association shall have a blanket servitude and right on, over, under and through the ground and all improvements thereupon within Rouzan to: (i) inspect all aspects of the stormwater management system located on an Owner's Parcel. Such inspection right shall include (without limitation) the right to walk on the Parcel, access the roof of any structure on the Parcel, open any trap for rooftop runoff and open and inspect rain barrels (Owner shall provide the Neighborhood Association with keys to all locks on such elements). Other than in emergencies, the Neighborhood Association shall provide not less than 24 hours advance notice of such inspection; or (ii) require Owner to undertake, or where Owner has contracted for the Neighborhood Association to undertake, commence, or where following notice to Owner and Owner's failure to undertake, commence clean up, clean out, removal of sediment, debris or other materials, vacuuming or steam cleaning of permeable surfaces, clearing lines of blockages. planting or removing vegetation, repair, reconstruction, maintenance or replacement of such elements, provided that the Neighborhood Association, in utilizing the servitudes and rights provided hereunder, shall use reasonable efforts to avoid damage to grounds and structures. Where landscaping must be removed to restore function of an element of the stormwater management system or where damage cannot be reasonably avoided in utilizing those rights, the Neighborhood Association shall have no liability therefore. The Neighborhood Association shall have neither responsibility nor liability from the functioning of the stormwater management system or its failure to function or the occurrence or failure to occur of the maintenance, repair or replacement contemplated hereunder.
- The Neighborhood Association shall notify Owners in writing concerning: (i) c. maintenance requirements for Owner-owned portions of the stormwater management system and (ii) any non-compliance with those maintenance requirements. If the Neighborhood Association determines that an Owner is not complying with such requirements, and the non-compliance continues for ten (10) days after notice to the Owner, the Neighborhood Association shall have the right without liability to enter the Parcel to correct, repair, restore, and maintain any noncompliant portion or element of the stormwater management system located on the Parcel. The Board may reduce or eliminate the time for notice if it believes the condition creates a hazard. All costs related to such actions are to be assessed to the Owner as an Individual Parcel Assessment. The Board may also assess a management fee for activities that it must take to correct, repair, restore, or maintain any part of the stormwater management system on the Parcel on behalf of an Owner. If, in accordance with this section, authorized agents of the Neighborhood Association enter upon any Parcel to abate or remove a violation, neither the Person entering the Parcel nor the Person directing the entry shall be deemed liable for any manner of trespass for such action.

d. The Neighborhood Association shall have the right to enter into contracts and agreements with the City allowing the City to exercise the servitudes and rights of the Neighborhood Association herein provided, if the Neighborhood Association fails to enforce them. The City may also be granted the right to impose the charges for such undertaking as a lien on the Owner's Parcel.

Utility Servitudes. The Neighborhood Association has a blanket servitude upon, across, over, through and under Rouzan for access, installation, replacement, repair and maintenance of all public and private utility and service systems. These systems include, but are not limited to, water, sewer, irrigation, drainage, telephone, intranet, electricity, television, security, cable or communication lines and other equipment. By virtue of this servitude the Neighborhood Association may install and maintain facilities and equipment, excavate for such purposes and affix and maintain wires, circuits and conduits. However, the exercise of this servitude must not unreasonably disturb each Owner's reasonable use of his Residential Parcel. If authorized by majority vote of the Board, the Neighborhood Association may assign all or a portion of its rights under this paragraph to one or more utility providers.

Police Powers. The Neighborhood Association has a blanket servitude throughout Rouzan for private patrol services and for police powers and services supplied by local, state and federal governments as needed to lawfully carry out their duties, including clearing emergency vehicle access. The reservation of such servitude does not imply that any such service shall be provided.

Purchase or Conveyance of Neighborhood Commons

Purchase of Neighborhood Commons. The Neighborhood Association may acquire additional Neighborhood Commons. The decision to acquire additional Neighborhood Commons (other than that added by the Founder), whether by purchase or lease or other means, shall be authorized by 60% of the Board. If the purchase or lease is costly enough to be considered a substantial capital expense, it must be approved as described in Chapter 5.

Sale or Long-Term Lease of Neighborhood Commons. As described elsewhere in this chapter, the Board may rent or assign space in the Neighborhood Commons on a short-term basis for open-air markets, festivals, parties, weddings and other events and may dedicate part or all of the Neighborhood Commons to the public. Although it would be unusual, the Neighborhood Association may sell, donate or grant long-term leases for small portions of the Neighborhood Commons or exchange parts of the Neighborhood Commons for other property inside or outside Rouzan when the Board finds that it benefits the community in at least one of the following two ways:

• The conveyance is intended to benefit the community in ways other than the revenue, if any, to be derived from the transaction. For instance, the Neighborhood Association may 382934.1

convey or exchange property if necessary to improve access to Rouzan or to improve utility service. The Neighborhood Association may also convey property to other community-oriented organizations.

• The revenue to be derived is significant and the use and appearance of the Neighborhood Commons is not significantly impaired. For instance, the Neighborhood Association might sell or lease small amounts of space for cellular telephone transmission equipment, subject to design approval in the architectural review process.

In addition, the Board may not sell or exchange or otherwise dispose of any Neighborhood Commons except to a successor organization conceived and organized similarly to the Neighborhood Association to own and maintain the Neighborhood Commons.

Any decision to donate, sell, exchange or lease any portion of the Neighborhood Commons must be approved by 60% of the Board, the RDC, and for as long as the Investor or the Founder owns any Residential Parcels in Rouzan, the Founder. A transaction for sale, exchange or lease for a term of more than one year, including all tenant renewal options, cannot be completed until thirty days after notice to Owners. After the Period of Founder Control, if requested by the President, a Board member or ten percent (10%) of all the Owners by written petitions, a special meeting must be held. Notice requirements for special meetings are described in Chapter 2 and in the Bylaws. If a quorum is present in person or proxy, the decision to purchase, sell, exchange or lease may be rescinded by a sixty percent (60%) vote of the Owners present. Any contract with a third party for the purchase, sell, exchange or lease of the Neighborhood Commons should be contingent upon this right of rescission, unless the Board has previously passed a resolution describing the intended transaction and giving notice.

Except as specifically permitted by this Residential Declaration, the Neighborhood Commons cannot be rented or sold.

Corrective Instruments. The Neighborhood Association, by approval of 60% of the Board, may also execute corrective instruments, settle boundary line disputes and resolve other title matters concerning the Neighborhood Commons.

Dedication and Condemnation

Dedication is the voluntary conveyance of title to a municipality or other governmental entity, while condemnation is the taking of property by a government or other authority having the power of eminent domain. Any dedication or conveyance is subject to acceptance by the applicable governmental agency.

Dedication. If any portion of the Common Roads has not previously been dedicated to the public, the Board may, by majority vote, cause the Neighborhood Association to convey title to 382934.1

or dedicate the Common Roads to the appropriate public authority. Any other dedication of the Neighborhood Commons must be approved in the same manner as a conveyance of the Neighborhood Commons.

Condemnation. If all or any part of the Neighborhood Commons is taken by, or an offer is accepted in lieu of condemnation from, any authority having the power of eminent domain, all compensation and damages shall be paid to the Neighborhood Association. The Board shall have the right to act on behalf of the Neighborhood Association with respect to any negotiation or litigation relating to the offer or taking.

Association Insurance and Reconstruction

Insurance can protect the Association's assets and financial security. However, insurance is a large and sometimes volatile item in the Association's budget. At least once each year, the Board should review types of insurance and terms and limits of coverage for insurance held by the Association. Changes in replacement costs or anticipated liabilities can make existing insurance coverage inadequate. In rare cases, if coverage becomes too expensive, the Association may make a decision to drop certain coverage or to take a higher deductible.

Types of Insurance. The following are examples of insurance the Association should consider:

- Property and Casualty Insurance. The Board shall obtain property and casualty insurance for Neighborhood Commons including structures or other improvements that can and should be insured for damage or other loss. Some policies provide coverage for "all risks" (or "perils") not excluded. Others insure against loss from named perils such as fire, vandalism, malicious mischief, earthquake and wind. If it is available, the Board should consider obtaining flood insurance (if in a flood-prone area). Care should be taken that sufficient coverage is obtained to comply with any co-insurance percentage provided for in the policy. Preferably, the policy should stipulate an "agreed value" of the property to avoid the problems presented by co-insurance provisions altogether.
- <u>Commercial General Liability</u>. The Board shall obtain commercial general liability insurance in such amounts as the Board determines, insuring against liability arising out of, or incident to, the membership and use of the Community Areas and any topographic conditions or water access located on or adjoining the Neighborhood. It should seek to extend the coverage to walkways. This insurance should provide that the acts of any given insured, if excluded from coverage, should not preclude coverage for the named insured or other insureds not involved in the acts or behavior triggering the exclusion.
- <u>Director Liability Insurance</u>. The Board may obtain liability insurance insuring against liability for actions taken by members of the Board, officers of the Association and

advisory members in the performance of their duties. The Board may also obtain fidelity insurance for its employees.

• Other Coverage. The Board shall obtain and maintain workman's compensation insurance if and to the extent necessary to meet the requirements of law and such other insurance as the Board may determine or as may be requested from time to time by a majority vote of the Owners.

Repair and Reconstruction after Fire or Other Casualty. If Improvements on the Neighborhood Commons are damaged, the Board shall arrange for and supervise prompt repair and restoration of the Improvements. The Board obtains funds for repair on reconstruction first from the insurance proceeds, second from reserves for the repair and replacement of such Improvements, and third from any Special Assessments that may be necessary.

Physical Surroundings, Part II: Private Domains

The design for Rouzan is intended to maximize land usage and sense of community by providing gracious squares and parks

while offering intimate and private yards and gardens for individual use. Rouzan follows principles of traditional neighborhood design, which uses the individual houses and other buildings to form the streetscape. Their facades help form the walls of "outdoor rooms" - comfortable spaces where residents can enjoy walking, playing and relaxing.

This chapter enables some of the special design considerations of traditional neighborhood development through servitudes and other provisions concerning the buildings and lots. A related chapter, Part II of Chapter 2, provides covenants for daily living.

Relationship Between Residential Parcels

As provided by the Rouzan Design Standards, certain buildings within Rouzan may be attached townhouses or the dwellings may be detached but placed on or near the property line. The servitudes in this section are intended to enable reasonable cooperation between neighboring Owners. The Neighborhood Association may make rules for maintenance and use of servitude areas and shared Improvements that are to be uniformly applied to all similarly configured Residential Parcels.

Residential Parcel Lines. The re-subdivision of any Residential Parcel or the separate conveyance of any part of a Residential Parcel other than as a servitude is prohibited except if performed by the Founder. The specific consent of the Rouzan Design Committee ("RDC") is required to otherwise modify the boundary lines of any Residential Parcel. Additional approval by City of Baton Rouge may also be required.

Structural Party Walls. Each Owner grants to the Owner of each adjacent Residential Parcel the right and servitude to maintain and to utilize any exterior or interior wall that forms a party wall between them. A wall will be considered a party wall only if it provides structural support for the buildings, or parts of a building, on more than one Residential Parcel. Maintenance of each surface of the party wall shall be the sole responsibility of the Owner whose building faces such surface. Each Owner shall be liable and responsible if, in connection with that Owner's use and maintenance of the party wall, the Owner damages the adjacent Owner's building or the wall itself. The cost of any other repairs to the party wall shall be shared equally by the adjacent Owners.

382934.1

Exterior Walls. An exterior wall which supports the building on only one Residential Parcel, or which encloses a courtyard on one Residential Parcel, shall not be considered a party wall. The Neighborhood Association may make Rules and Regulations concerning use and maintenance of such walls, including assigning responsibility between the adjoining Owners for painting and repair and granting access over the adjoining Residential Parcel as reasonably necessary to maintain the wall. All such maintenance and repair shall be in accordance with the Neighborhood Association's Rules and Regulations.

Yard Servitudes. To allow the most efficient use of a Residential Parcel while complying with governmental setback requirements, a portion of a Residential Parcel along a lot line may be subject to a servitude for use by the adjoining Residential Parcel Owner. The Owner of a Residential Parcel subject to such a servitude will usually be the beneficiary of a similar servitude burdening another Owner's Residential Parcel, unless the Residential Parcel is a corner lot or is larger than the adjoining Residential Parcel. Such servitudes may be designated on the plat, in the Rouzan Design Standards or recorded in the deed from the Founder to the first Owner of the burdened Residential Parcel. Such servitude area may be up to four (4) feet wide and shall run along a boundary line. Subject to regulation under the Rouzan Design Standards, the beneficiary of such a servitude shall have the use and maintenance responsibility for the servitude area and, subject to this Chapter 3, may place fences, patios and other non-permanent fixtures (but not primary structures or above ground HVAC equipment, decks, or other permanent fixtures) upon the servitude area.

Roof Overhang; Footings. For certain building types, such as side yard houses, which are to be built along a property line, the Rouzan Design Standards may permit roofs, gutters, soffits, downspouts and other features to overhang this property line and may allow footings and rain leaders to intrude into the adjacent property. To the extent allowed by the Rouzan Design Standards and local governmental regulations, the adjacent property shall be subject to a servitude for such intrusion. However, roofs, gutters, downspouts and rain leaders may not discharge water onto the surface of the adjacent property as a point source.

Townhouse or Row House Roof. If a townhouse or row house wall or parapet exists along or very near a property line, the Owner of the townhouse or row house to be constructed on the adjacent property shall have the right to flash into the existing building in accordance with industry standards in order to make the new building watertight. This right includes the right to make minor cuts on the existing building and to secure flashing or other materials to the existing building, so long as the structural integrity and water tightness of the existing building is not impaired. The cost of this flashing shall be borne by the Owner of the new building, but the maintenance of this connection shall be a shared expense between adjacent property Owners.

Zero Lot Line Servitudes. To allow maintenance, construction, or repair of structures on an adjoining Parcel while complying with governmental setback requirements, a portion of a Parcel 382934.1

along a lot line may be subject to a servitude for use by the adjoining Parcel Owner. The Owner of a Parcel subject to such a servitude will usually be the beneficiary of a similar servitude burdening another Owner's Parcel, unless the Parcel is a corner lot or is larger than the adjoining Parcel. Such servitudes may be designated on the plat, in the Rouzan Design Standards or recorded in the deed from the Founder to the first Owner of the burdened Parcel. Such servitude areas may be up to ten (10) feet wide and shall run along a boundary line and may be used by the adjoining Parcel Owner to conduct maintenance, construction, or repair of structures on that adjoining Parcel. The adjoining Parcel Owner shall use best efforts to avoid destruction of vegetation within the servitude area. The adjoining Parcel Owner must provide the Owner of the Parcel subject to such a servitude with fourteen (14) days prior written notice before using the servitude for maintenance, construction or repair activities.

Owner Insurance

The loss of a building due to fire or other casualty affects the entire block. Insurance is necessary to make sure that each Owner has the funds available to rebuild after a casualty.

Residential Parcel Coverage. Each Owner shall obtain casualty insurance for Improvements on its Residential Parcel. Coverage shall be in an amount not less than necessary to comply with the co-insurance percentage stipulated in the policy, but in any event not less than eighty percent (80%) of the value (based upon replacement cost) of the insurable improvements constructed on the Residential Parcel. If requested by the Neighborhood Association, an Owner shall provide evidence of such insurance to the Neighborhood Association.

Quick View: Acquisition and Conveyance of Neighborhood Commons

	Purpose:	Approval Process:
Acquisition of Additional Neighborhood Commons	Benefit to Neighborhood.	Authorized by 60% of the Board. If purchase or lease is costly enough to be considered a significant capital expense, it must be approved as described in Chapter 5.
Grant of Servitudes	Provision or improvement of utility services.	Board may approve servitudes to utility providers by majority vote.
Short-Term Rental or Assignment of Portions of Neighborhood Commons	Events such as farmers' markets, festivals, block parties or private parties.	Board approval; for the most part, term of no more than one year.
Sale, Donation or Long-term Lease of Portions of Neighborhood Commons	Beneficial use for community or significant income without significant impairment of Neighborhood Commons.	60% of Board and the RDC and Founder subject to Owners' right of rescission after the Period of Founder Control.
Dedication or Condemnation of Portions of Neighborhood Commons	Conveyance to a municipality, governmental entity, or other political subdivision.	Board may approve dedication of streets by majority vote and may negotiate regarding condemnation. Other dedication subject to the same approval requirement as for a sale of Neighborhood Commons.

4.1

Architectural Standards, Part I: Rouzan Pattern Residential Declaration; Town Architect; RDC

Improvements within Rouzan will be designed and built by different homeowners, architects and builders. Each of these individuals will contribute to the shaping of the community.

The Rouzan Design Standards communicate the basic elements that are essential for creation of this residential community. They are intended to conform to "traditional neighborhood" or urban design principles and contain features of both a conventional architectural code and a zoning code.

The architectural review process, set out in Part III of the Community Operating Agreement, concerns all portions of the Rouzan Design Standards.

Copies of the Rouzan Design Standards are available from the Neighborhood Association, RDC or the Founder. Because the Rouzan Design Standards may change from time to time, it is important that an Owner obtain approval based on the current version of the Design Standards before undertaking any change or improvement of his or her property.

Town Architect

The Founder may appoint a Town Architect, whose job it is to understand, interpret and, when necessary, modify the Code. The architect who designs the master plan for the community will not necessarily be named the Town Architect. The Town Architect is not responsible for designing individual houses but can facilitate the design of houses consistent with the overall design vision for the neighborhood. The Town Architect must have a professional degree in architecture or urban design from an accredited university or comparable qualifications and must have experience or training in traditional neighborhood or urban design, or other qualifications deemed appropriate by the Founder. The Town Architect does not, however, need to be licensed to practice in Louisiana.

Founder and Rouzan Design Committee Roles

The community attracts its residents based on the anticipation that it will, in general, be constructed in accordance with the Founder's vision. The Rouzan Design Standards represent a component of that vision. No Improvement will be made nor building permit for an Improvement sought without written approval of the Improvement by the RDC. The RDC will review Improvements using the Rouzan Design Standards procedures set forth in the Community Operating Agreement, as it is amended from time to time. The RDC has the sole and absolute ability to review and approve applications.

Architectural Standards, Part II: Review Process

Initial construction is dramatic, as each street takes shape. The facades of the buildings and the streetscape landscaping form the community's outdoor rooms, and the community described by the Rouzan Design Standards springs to life.

Rouzan is not, however, frozen in time. A neighborhood evolves after initial construction. Homes are enlarged to suit a growing family. A tree falls and must be replaced. Children clamor for swimming pools and basketball hoops. A puppy requires a fenced yard. The questions surrounding modification review concern not just design but compatibility with adjacent properties.

The Community Operating Agreement outlines the method for review of both initial construction and modifications to ensure that as Rouzan matures it continues to follow the vision set out in the Rouzan Pattern Residential Declaration. In the event of any conflict between this Residential Declaration and the Community Operating Agreement, the Community Operating Agreement shall prevail.

Notice to Owners

The contract for the construction or modification of a home is negotiated between the Residential Parcel Owner and the contractor. Neither the Founder, nor the RDC, is a party to that contract. Owners are ultimately responsible for assuring that the improvements constructed on the Residential Parcel are in accordance with the approved plans and specifications. Because the Rouzan Design Standards and the applicable provisions of the Community Operating Agreement may change from time to time, it is important that an Owner obtain or confirm that he or she has the current version of the Rouzan Design Standards and the applicable provisions of the Community Operating Agreement before undertaking any change or improvements of the property. For the Owner's benefit, contracts should require the contractor to build or modify the improvements in accordance with plans and specifications approved by the RDC. Receipt of the RDC's Certificate of Completion and Release indicating compliance with the approved plans and specifications should be a condition of final payment on the contract.

Enforcement

By taking title to property in Rouzan, Owners have agreed to the provisions of this Residential Declaration and other recorded instruments placing certain restrictions on the use of the property. Louisiana courts have consistently enforced architectural review requirements contained in recorded instruments.

In addition to the enforcement provisions in the Community Operating Agreement, if any construction or installation is begun which has not been approved or which deviates from approved plans and specifications, the Board may by majority vote approve any of the following actions on behalf of the Neighborhood Association:

- Require the Owner to resolve the dispute through binding arbitration,
- Seek an injunction requiring the Owner to immediately stop construction and remove or correct any improvements that are not in compliance with approved plans.
- Bring suit seeking other remedies, including any combination of damages, specific performance, declaratory decree and/or permanent injunction or other remedy at law or in equity.

The right to seek an injunction is the most powerful tool available to the Neighborhood Association. Money damages are usually an inadequate remedy for failure to comply with architectural review provisions as it is difficult for the Neighborhood Association to prove the financial damage caused by an Owner's failure to comply with Design review provisions. However, an injunction gives the Neighborhood Association the ability to require an Owner to comply with the approved plans and specifications, regardless of a lack of financial damage and regardless of the cost to the Owner of making such a change.

For instance, if an Owner specifies one type of windows in the approved plans and specifications, but then substitutes another during the course of construction, it can be quite expensive for the Owner to remove the incorrect windows and replace them with the correct windows. The power to require that change is the greatest tool the Neighborhood Association has to keep the Owner from succumbing to the temptation to substitute unapproved windows. Unless the recorded documents allow this powerful tool, a court might hesitate to grant such a remedy.

If the Neighborhood Association brings suit and the court finds that the construction was not approved or that the construction deviated from the approved plans or specifications, then the Neighborhood Association shall also be awarded reasonable attorney's fees and costs, even if the relief requested is not granted.

The RDC may require the builder or Owner to post a deposit from which the RDC may deduct published fines and costs of rectifying the deviation for failure to comply with the approved plans and specifications and rules for builder conduct. The collection of a fine shall not in any way diminish the available remedies at law or equity.

Failure to enforce any provision of this Chapter shall not be deemed a waiver of the right to do so at any time thereafter.

Quick View: The Town Architect and the RDC

	Town Architect	RDC
Role	Helps to interpret the Code. Suggests modifications when appropriate. Sits on the RDC.	Reviews applications for new construction and modifications to existing improvements.
How Selected	Selected by the Founder.	The Town Architect is a member and the Founder may select a representative. Once the Founder can no longer appoint members of the RDC, or chooses not to appoint the members of the RDC, the members shall be selected as follows: The new RDC shall consist of either three or five members. For a three-member RDC, the Neighborhood Association and the Business District Association shall each appoint one member to the RDC. For a five-member RDC, the Associations shall each appoint two members. The Founder may appoint the final members of the RDC, but if it chooses not to do so, the remaining RDC members shall choose the additional members.
Qualifications	Must have a professional degree in architecture or urban design from an accredited university or comparable qualifications, or qualifications deemed appropriate by the Founder.	No requirements.
Primary Source of Funds	Salary as determined by Board.	Application fees are to cover cost of operation. After the period of Founder control, the Neighborhood Association funds any deficit.

Finance, Part I: The Neighborhood Association Budget

The Board is responsible for managing the Neighborhood Association's financial affairs. Although the Directors cannot be expected to make perfect decisions, the Directors are required to act in accordance with good faith judgment concerning the best interests of the Neighborhood Association.

Accounting

The Neighborhood Association has two kinds of accounts: operating funds and reserve funds. Operating funds must be easily accessible and are used for day-to-day expenses. Reserve funds are the Neighborhood Association's savings and are to be invested to pay for major repair and replacement of the Neighborhood Commons.

The Neighborhood Association must prepare annual statements of its income and expenses, which are to be made available to each Owner. Unless required by law or the Board, annual statements do not need to be audited.

Budget

Financial planning begins with the annual budgeting process. The fiscal year of the Neighborhood Association begins January 1 of each year and ends on December 31 of that year, unless the Board selects a different fiscal year. The Board may appoint a committee to undertake the preparation of the budget, including holding hearings for Owners. At least one month before the end of the fiscal year, the Board or its budget committee shall hold a budget meeting to consider the proposed budget for the coming year. Notices of budget meetings are to be posted so that Owners can attend. The budget is adopted by majority vote of the Board. At least two weeks before the fiscal year to which the budget applies, the Board shall send to each Owner a copy of the budget and notice of the amount of the General Assessment each Owner will owe.

Balancing a Budget. Like any budget, the Neighborhood Association's budget has two main categories: expenses and income. The Board is responsible for estimating the expenses of the Neighborhood Association for the upcoming year and then setting General Assessments—the Neighborhood Association's main source of income—at a level high enough to pay for the anticipated expenses. (The Neighborhood Association may have other minor income sources, such as interest on its accounts and rentals income.)

382934.1

Expenses. Some of the expenses to be included in the budget are mandatory, such as taxes, insurance and required maintenance of the Neighborhood Commons. Anticipated fees for professional management of the Neighborhood Association, accounting services, legal counsel and other professional services must also be included in the budget. The Neighborhood Association also needs a certain amount of working capital—the cash flow necessary to make sure bills can be paid on time. Reserves, as discussed further below, should be considered. The Board may add to the budget the cost of improvements it would like to make to the community.

Budget Review. If General Assessments on Residential Parcels are to be increased by more than fifteen percent (15%) per Residential Parcel when compared to the previous year's General Assessment, and within thirty (30) days after the budget is delivered to Owners, review is requested by the President, the Board or by petitions signed by at least ten percent (10%) of all Owners, the Board is to call a special meeting to present the budget and to answer any questions. After presentation, the budget is deemed approved unless a quorum of the Owners is present and a majority of the voting interests reject the budget. If the budget is rejected, the Board must approve a new budget within ten (10) days and send a copy to each Owner. If, under the new budget, the General Assessments are to be increased by more than fifteen percent (15%) per Residential Parcel, then the budget must be reviewed again according to the provisions of this paragraph.

Interim Rules. If the budget is challenged or if for any other reason the Board is late in approving the budget, Owners are not released from their obligation to pay General Assessments whenever the amount of such assessments is finally determined. Until a new budget is approved, each Owner must continue to pay the assessment at the rate established for the previous fiscal year.

Reserves and Deferred Maintenance

Although not required, it is recommended that the Neighborhood Association establish reserves for deferred maintenance, which are significant expenses that occur infrequently (in most cases, no more frequently than every five years). Without sufficient reserves, the Neighborhood Association will be required to levy a Special Assessment when these major expenses arise. Costs that occur more frequently or that are less expensive can probably be handled as an ordinary expense, although reserves may be established for these costs as well.

Using Reserves. When it is time to perform deferred maintenance, the Board can authorize use of the appropriate reserve fund. Reserve funds are an estimate; sometimes one reserve fund will have excess funds while another will not have enough. If specifically authorized by the Board, reserves set aside for one purpose may be used for another purpose. (For instance, money set aside for resurfacing streets may be used for re-roofing a building.)

Calculating Reserves. The amount of reserve required is based on the life expectancy of the item, its replacement cost and the amount of money already in the fund. Different items will require different calculations and different reserve funds. Once the amount of the reserve is determined, the reserve funds may be included in the budget and funded each year from General Assessments.

Investing Reserves. Although separated for the Neighborhood Association's internal bookkeeping purposes, the various reserve funds can be deposited in a single bank or investment account, to be invested in a prudent way. Because the reserves are the Neighborhood Association's savings, reserves must be kept in an account separate from the Neighborhood Association's operating account and must require more than one signature to be accessed.

Excess Reserves. If there is an excess of reserves at the end of the fiscal year, the Board may decide to reduce the following year's assessments for reserves. If sixty percent (60%) of the Board determines (by vote) that a reserve is no longer necessary for its original purpose, the Board may assign all or part of the funds to a reserve for another purpose, or allocate the funds to the Neighborhood Association's operating account.

Unanticipated or Extraordinary Expenses

Sometimes extraordinary expenses will arise during the year that the Neighborhood Association has no choice but to pay. This may include any unexpected expenditures not provided by the budget or unanticipated increases over the budgeted amounts. If insurance rates rise dramatically, an insurance bill may be much higher than budgeted. A casualty may cause extensive landscape damage that is not covered by insurance. When the Neighborhood Association is faced with an expense that cannot be paid from operating funds, it has two choices:

Special Assessment. The Board may impose a Special Assessment for any unusual or emergency maintenance or repair or other expense that this Residential Declaration or the law requires the Neighborhood Association to pay, or for deferred maintenance or replacement for which reserves are insufficient. Special Assessments require approval by sixty percent (60%) of the members of the Board. The Board may choose to spread the Special Assessment over a period of up to five years.

Using Reserves. If specifically authorized by the Board, reserves may be used for extraordinary expenses that are not included in the annual budget. However, rebuilding that reserve should be a priority in the next budget. A Special Assessment may be used to pay back the reserve fund.

Capital Improvements

Most of the Neighborhood Association's expenses for the Neighborhood Commons are considered maintenance – repairing and replacing original improvements. However, the 382934.1

Neighborhood Association may wish to change or add to the Neighborhood Commons' facilities. Not all capital improvements are expensive. These changes can be as small as a new park bench or as large as a new building. (Conversely, not all major expenses are capital improvements: resurfacing a swimming pool is deferred maintenance, not a capital improvement.) Alterations and new improvements, except those proposed by the Founder, must go through the architectural review process.

Neighborhood Association expenditures for most capital improvements may be approved by the Board without membership approval. However, any Substantial Capital Improvement to the Neighborhood Commons approved by the Board must be ratified by a majority of the Owners. A capital improvement will be considered substantial if the cost to the Neighborhood Association of the improvement is more than six percent (6%) of the Neighborhood Association's annual budget or if, when added to other capital improvements for the fiscal year, the sum is more than ten percent (10%) of the Neighborhood Association's annual budget. If the substantial capital improvement is approved by the Owners, the Board shall determine whether it is to be paid from General Assessments or by Special Assessments, which the Board may spread over a period of time up to five years.

Zone Expenses

Zones are intended to provide a flexible means for providing additional maintenance or capital improvements to a portion of Rouzan that has special needs. Zone boundaries may be designated at the time of the addition of the property by Supplemental Declaration or at any later time by the Board. Some expenses apply only to a certain Zone within Rouzan:

- <u>Capital Improvements</u>. Any Zone may, by two-thirds (2/3) vote of the Owners within that Zone and approval of the Board, vote to assess all Owners within the Zone for capital improvements to Neighborhood Commons that will primarily benefit that Zone.
- Additional Services. Any Zone may, by majority vote of the Owners within that Zone and approval of the Board, vote to assess all Owners within the Zone for maintenance or services in addition to those normally provided by the Neighborhood Association. For front-yard landscape maintenance, the Board may define a Zone by Residential Parcel type and may approve landscape service for that Zone, which shall be effective unless a majority of the Owners within that Zone object in writing to the landscape service.

If the assessment is approved, it will be assessed to and allocated among all Owners within that Zone or designated group as Individual Residential Parcel Assessments.

Zones may be combined for such assessments. If more than one Zone is to vote, the Board shall determine whether approval and assessment is to be by Zone or by the combined group of Zones.

382934.1

If a group smaller than a Zone wishes to be assessed for capital improvements or services, all of those being assessed must agree to the assessment.

Contract for Maintenance

The Neighborhood Association may, but is not obligated to, act as agent for an Owner, if so requested by that Owner, to contract for routine maintenance and other services not required to be provided by the Neighborhood Association, the cost of which will be assessed to that Owner as an Individual Residential Parcel Assessment. The terms and conditions of all such contracts are at the discretion of the Board. The Neighborhood Association may enter into contracts with members of the Board or their companies. However, when the Board considers the contract, the Director should disclose the interest in the company. In addition, a majority of the remaining uninterested Directors must authorize, approve, or ratify the contract (except that a single Director may not authorize, approve, or ratify such a transaction) and the terms of such contracts must be fair and reasonable—in general, comparable to what would be charged by an outside company.

Finance, Part II: Assessments

The cost of meeting the Neighborhood Association's expenses is divided among all the Owners by the assessments levied on Residential Parcels.

Allocation of Assessments

The common expenses of the Neighborhood Association are to be allocated among the Residential Parcels in accordance with the relative values described in the adjacent table. The allocation of the common expenses of the Neighborhood Association may be calculated for each Residential Parcel by dividing the relative value assigned that Residential Parcel, as shown in the adjacent table, by the sum of the values of all Residential Parcels within Rouzan. These are the Assessment Interests.

Residential Parcel Type	Relative Value	
Single Family	1.0 per Residential Unit	
Multi-Family	0.25 per Residential Unit	
Non-Sold Founder/Investor lots	1.0 per Residential Unit	
Special Use Residential Parcel	Determined by the Founder based on anticipated use	

A single outbuilding with a studio or one-bedroom apartment is not subject to assessment if the primary residence on the Residential Parcel is assessed at 1.0 or greater.

If an Owner combines two Residential Parcels or parts of Residential Parcels and uses them as a single Residential Parcel, the Neighborhood Association may assess them as a single Residential Parcel or by such other formula as is adopted by the Board and consistently applied.

Exempt Community. The following portions of Rouzan shall be exempt from the Assessments and liens created herein: (i) all property owned by the Founder, (ii) all properties dedicated to and accepted by a public authority, (iii) all Neighborhood Commons, and (iv) any Residential Parcel deemed exempt pursuant to the Paragraph below regarding Non-Profit Entities. Collectively, the property referred to in items (i) through (iv) of the preceding sentence shall constitute the "Exempt Community."

Non-Profit Entities. Residential Parcels that are used by non-profit entities primarily for the benefit of residents of Rouzan may have a zero allocation if granted as described in this paragraph. The Founder may grant such exempt status of record at any time up to and including the time of conveyance of the Residential Parcel to someone other than the Founder. Once granted, such exempt status continues so long as the use of the Residential Parcel remains substantially the same. The Board also has the authority to grant exempt status for qualified entities upon terms and conditions established by the Board.

Determination by Neighborhood Association. The Board, using reasonable discretion, has the authority to determine the type of Residential Parcel and may establish rules for the assessment of unimproved lots, determination of residential and commercial use and other matters relating to assessment. The Neighborhood Association's agent may enter and examine buildings at reasonable times for assessment purposes. An Owner shall have the right to a hearing before the Board to appeal an assessment evaluation; however, the decision of the Board after the hearing is final.

Transfer Fees

Certain assessments are paid upon the conveyance of property:

- Capital Contribution. At the closing and transfer of title of each Residential Parcel to the first Owner other than the Investor, the Founder or a builder, for resale, the purchasing Owner shall contribute an amount equal to three months' installments of the General Assessment. This contribution is to be deposited in the general funds of the Neighborhood Association for start-up expenses of the Neighborhood Association and for working capital for the Neighborhood Association, the cash flow the Neighborhood Association needs to pay its bills while waiting to collect Assessments, and shall not be considered as a pre-payment of General Assessments.
- Institute Contribution. If the Founder establishes the Institute, then to fund the Institute's arts, cultural and community projects, the seller of a Residential Parcel shall pay a Contribution to the Institute whenever a Residential Parcel is conveyed to a new Owner other than the Founder or its designated entities or a builder for resale, in the amount of one percent (1.0%) of the purchase price. If the seller fails to pay the Institute Contribution, the buyer shall be responsible for this contribution. A conveyance from the Founder or its designated entities to a new Owner shall not subject the seller or the buyer to the requirement to pay the Institute Contribution. A conveyance from a builder who purchased a Residential Parcel for resale shall not be subject to the requirement to pay an Institute Contribution upon resale of the Residential Parcel to a new Owner. After establishment of the Institute, the Neighborhood Association shall, if requested by the Institute, collect the Institute Contribution as agent for the Institute. The Institute shall

have authority to enforce collection of Institute Assessments in the same manner as the Neighborhood Association may enforce collection of General and Special Assessments.

The Capital Contribution (if then applicable) and Institute Contribution are not required to be paid by an institutional first mortgagee who acquires title as the result of a foreclosure or deed in lieu, but shall be paid by a third-party purchaser at foreclosure or upon the conveyance by the mortgagee to a subsequent Owner.

The Institute. If the Institute is created, neither the Founder nor the Neighborhood Association shall have any obligation to maintain the Institute after it is created. If the Institute ceases to exist, then the Neighborhood Association may elect to: (i) continue to collect the Institute Contribution, but utilize the collected funds for arts, cultural and community projects; (ii) direct the funds to another charitable organization having a similar purpose as the Institute; or (iii) discontinue collection of the Institute Contribution.

Collection of Assessments

Each Owner is required to pay all Assessments (General Assessments, Special Assessments, Individual Residential Parcel Assessments, Zone Assessments, Capital Contribution and Institute Contributions) assessed to that Residential Parcel. Dissatisfaction with the Neighborhood Association is not a legal defense to an assessment collection case. Other avenues, such as discussion at meetings, volunteering for committees or running for the Board, are available to improve the Neighborhood Association's performance. The Neighborhood Association has the right to institute reasonable policies concerning late fees and interest, which such Owner is also required to pay. The Neighborhood Association may require Owners who are delinquent in paying their Assessments to pay Assessments on a pro-rated monthly or quarterly basis.

Owners pay Assessments in the manner and on the dated the Board establishes. The Board may require advance payment of Assessments at closing of the transfer of title to a Parcel and may impose special requirements, including pro-rated monthly or quarterly payments for Owners with a history of delinquency. The Board may elect to have Assessments paid annually, quarterly, or monthly. However, unless the Board establishes otherwise by Rule or Regulation, Assessments shall be paid in monthly installments.

Collection Costs. If any Assessment is still delinquent ten (10) days after the Neighborhood Association has delivered a warning letter to the Owner's last known address, the Neighborhood Association has the right to also charge the Owner with the Neighborhood Association's collection costs, including reasonable attorney's fees, whether or not suit is brought. The Neighborhood Association may also establish late fees for delinquent payment of assessments.

Legal Remedies. The obligation to pay Assessments and costs is both a personal obligation of the Owner and a lien on the Residential Parcel. (The past-due Assessments, plus late-fee, interest 382934.1

to the time of collection and the Neighborhood Association's attorney's fees and other collection costs are called the "Assessment Charge.") The Neighborhood Association may bring an action at law against the Owner personally obligated to pay the Assessment Charge, or may foreclose the lien in the manner permitted by the Louisiana Homeowners Association Act, or both.

- Personal Obligation. The Assessment Charge shall be the personal obligation of the person or entity that was the Owner of the Residential Parcel at the time when the Assessment Charge was levied, and of each subsequent Owner. No Owner may waive or otherwise escape liability for the Assessment Charge by abandonment of the Residential Parcel.
- Creation of Lien. The Assessment Charge shall also be a continuing lien upon the Residential Parcel against which the Assessment Charge is made. This lien, in favor of the Neighborhood Association, shall secure the Assessment Charge which is then due and which may accrue subsequent to the recording of the claim of lien and prior to entry of final judgment of foreclosure. Any subsequent Owner of the Residential Parcel shall be deemed to have notice of the Assessment Charge. The lien shall be prior to all other subsequent liens and encumbrances except (i) real estate tax liens on that Residential Parcel, (ii) liens and encumbrances recorded prior to the recordation of the Residential Declaration, (iii) sums unpaid on and owing under any mortgage or deed of trust recorded prior to the perfection of the lien for Assessments, and (iv) assessments levied by the Richland Community Development District. The provisions of this paragraph do not affect the priority of mechanics' and materialmen's liens.

The Neighborhood Association may bid for an interest in any Residential Parcel foreclosed at such foreclosure sale, may acquire a Residential Parcel, and may subsequently hold, lease, mortgage and convey the acquired Residential Parcel.

Other Remedies. The Neighborhood Association shall have the right to suspend the voting rights and the right to prohibit the use of the Neighborhood Commons by an Owner, and may prohibit the leasing of the Residential Parcel for any period during which any Assessment against the Residential Parcel remains unpaid. In addition to any other remedies provided by law or by this document for the nonpayment of assessments, the Neighborhood Association may establish a privilege on the lots of delinquent owners as set forth in the Louisiana Homeowners Association Act, La. Rev. Stat. § 9:1141.9.

Notice to Purchasers

If there are any Assessments unpaid on the Residential Parcel, you will automatically become liable for those Assessments when you accept title to a Residential Parcel. You should contact the Neighborhood Association before purchasing a Residential Parcel to make sure no Assessments are owed. You should also inquire about Special Assessments which may have been assessed but which are not yet owed.

The Treasurer of the Neighborhood Association, or managing agent if one has been employed by the Board, upon request of any Owner or contract purchaser, will furnish a certificate signed by a member of the Board or individual designated by the Board stating whether assessments are paid to date by that Owner and whether any Special Assessments have been levied. Such a certificate, when signed by the appropriate individual designated by the Board, may be relied upon by a good faith purchaser or mortgagee. The Neighborhood Association may charge an amount for such statements in accordance with the Louisiana Homeowners Association Act.

Notice to Owners

The Richland Community Development District ("CDD") also has the right to levy assessments on Owners within Rouzan. Such assessments are controlled by the CDD and must be paid as directed by that entity. CDD assessments are not to be paid to the Neighborhood Association and the Neighborhood Association shall take no responsibility for CDD assessment payments that are sent to the Neighborhood Association.

Quick View: Types of Assessments

	What it's for	How it's assessed
General Assessments	All of the regular, budgeted expenses of the Neighborhood Association, including the establishment of reserves.	Annually, payable in installments, based on the budgeted expenses of the Neighborhood Association.
Special Assessments	Substantial Capital Improvements approved by the Owners, or any unusual or emergency maintenance or repair or other expense that the Neighborhood Association is required to pay and for which there is not enough money in the reserves.	As needed. At the discretion of the Board, payment of a Special Assessment may be spread over a period of time, up to five years.
Individual Residential Parcel Assessment	Any special services to that Residential Parcel or any other charges designated in this Residential Declaration as an Individual Residential Parcel Assessment.	As needed.
Zone Assessments	Any services for a particular Residential Parcel in a specific Zone.	As needed.
Capital Contribution	Start-up expenses and working capital for the Neighborhood Association.	Payment equal to three months General Assessments upon sale to first Owner.
Institute	If the Institute is created, funding of the Institute's art, cultural and community activities.	Payment of Institute Contribution from Seller every time the Residential Parcel is conveyed, other than certain conveyances to the Founder, builders or mortgagees.



The Future

It's impossible to envision all the things that might happen as Rouzan grows and matures. This Residential Declaration tries to give the residents the tools and flexibility they need to confront issues as they arise.

Additional Neighborhood Association Powers

To the extent permitted by law, the Neighborhood Association may, but is not obligated to, provide the following services or engage in the following activities:

- Provide water, sewer, irrigation systems, drainage, telephone, electricity, television, security, cable television or communication lines and other utility services; supply of irrigation water; garbage and trash collection and disposal; laundry equipment or service;
- In the Neighborhood Commons and in areas other than the Neighborhood Commons, provide natural systems management, insect and pest control, improvement of vegetation and wildlife conditions, pollution and erosion controls;
- Emergency rescue, evacuation or safety equipment; fire protection and prevention; lighting of common roads which are not dedicated roads; restricted or guarded entrances, traffic and parking regulation and security patrols within Rouzan;
- Transportation; day care and child care services; landscape maintenance; and recreation, sports, craft and cultural programs in areas other than the Neighborhood Commons; and newsletters or other information services;
- Maintenance of servitude areas, public rights-of-way and other public or private properties other than the Neighborhood Commons located in Rouzan if their deterioration would affect the appearance of or access to Rouzan; and
- Any other service allowed by law to be provided by a property owners' association organized under the Louisiana Homeowners Association Act.

The Board may, by majority vote, initiate or terminate any of the above services, which shall take effect sixty (60) days after notice to the Owners, except in an emergency. As determined by the Board depending upon the nature of the service, the cost of any such additional service may be part of the common expenses of the Neighborhood Association, may be assessed as an Individual Residential Parcel Assessment to affected Residential Parcels or may be provided on a

fee-for-service or other reasonable basis as determined by the Board. If requested by the President or petitions signed by at least ten percent (10%) of the Owners, a special meeting may be called and, if a quorum is present, the Boards' action to initiate or terminate an additional service under this section shall be repealed by majority vote of all of the Owners.

Amendment

The Founder may amend this Residential Declaration (i) to conform to the requirements of the Federal Home Loan Mortgage Corporation, Veterans Administration, Federal National Mortgage Neighborhood Association or any other generally recognized institution involved in the guarantee or purchase and sale of mortgages, (ii) to conform to the requirements of institutional mortgage lenders or title insurance companies, (iii) to clarify the Residential Declaration's provisions or correct errors or inconsistencies, (iv) to subject additional property to this Residential Declaration or in connection with Supplemental Declarations or to withdraw property from Rouzan, (v) to change a name pursuant to the Community Operating Agreement, or (vi) to conform to any law then in effect.

The Founder may amend this Residential Declaration without approval by the Owners or the Board during the period of time that the Founder has the right to appoint at least three directors to the Board. This Residential Declaration may also be amended at any time after the Period of Founder Control by an instrument signed by the President or Vice President and Secretary of the Neighborhood Association, certifying approval in writing by Owners representing two-thirds (2/3) of the voting rights, with the following limitations:

- Provisions concerning voting rights and allocation of assessments cannot be amended without the consent of two-thirds (2/3) of each category of affected Residential Parcel Owners.
- Rights reserved to the Founder may not be amended without the specific consent of the Founder.

Any amendment takes effect upon its recordation in the public records of the Clerk's Office

Duration

The covenants and restrictions contained in this Residential Declaration shall run with and bind Residential Parcels and Neighborhood Commons of Rouzan and shall inure to the benefit of and be enforceable by the Founder, the Neighborhood Association and its Board, and all Owners of the Neighborhood Association, their respective legal representatives, heirs, successors or assigns for twenty-five (25) years, and shall be automatically extended for each succeeding twenty five-year period unless an instrument signed by Owners representing eighty percent (80%) of the

voting rights in the Neighborhood Association shall have been recorded, agreeing to terminate the Residential Declaration as of a specified date.

This Residential Declaration may also be terminated in any of the following ways:

- The Residential Declaration may be terminated at any time after the Period of Founder Control by the consent in writing of two-thirds (2/3) of all Owners.
- <u>Dedication of Neighborhood Commons</u>. The Residential Declaration may be terminated by consent in writing by Owners representing at least two-thirds (2/3) of the voting rights in the Neighborhood Association, if the Neighborhood Commons have been accepted for dedication or taken by eminent domain by the appropriate unit of local government (except that alleys or footpaths between two Residential Parcels may be divided evenly between the adjacent Residential Parcel Owners in accordance with this Chapter) or another successor entity organized under the same principles and standards as set forth in this Residential Declaration.

Definitions

Affiliate of the Founder. The "Affiliate of the Founder" means any Person directly or indirectly controlling, controlled by or under common control with the Founder. "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise, and the beneficial ownership of shares representing Ten percent (10%) or more of the votes entitled to be cast by a Person's voting shares.

Articles. "Articles" are the Articles of Incorporation of the Neighborhood Association.

Assessments. "Assessments" is the collective term for the following Neighborhood Association charges, all as further described in Chapter 5:

- <u>General Assessment</u>. The "General Assessment" is the amount allocated among all Owners to meet the Neighborhood Association's annual budgeted expenses.
- <u>Individual Residential Parcel Assessment</u>. An "Individual Residential Parcel Assessment" is a charge made to a particular Residential Parcel Owner for charges relating only to that Residential Parcel.
- <u>Special Assessment</u>. A "Special Assessment" may be charged to each Residential Parcel for capital improvements or emergency expenses.
- Zone Assessment. A "Zone Assessment" is a charge made to a particular Residential Parcel for expenses relating only to Residential Parcels in that Zone.
- <u>Capital Contribution</u>. With certain exceptions as described in Chapter 5.2, a "Capital Contribution" is paid upon sale to the first Owner, for start-up expenses and working capital for the Neighborhood Association.
- <u>Institute Contribution</u>. An "Institute Contribution" to benefit the Institute is paid upon each sale other than to the Founder or its designated entities, a builder, or the resale of a Residential Parcel from a builder to a new Owner.

Board. "Board" is the Board of Directors of the Neighborhood Association.

Building. "Building" shall have the meaning set forth in the building code for City of Baton Rouge, Louisiana 382934.1

Bylaws. The term "bylaws" refers to the bylaws of the Neighborhood Association, as amended from time to time.

CDD. The CDD is the Richland Community Development District.

Certificate of Completion. The RDC issues a "Certificate of Completion" in recordable form upon correction of all deficiencies noted in the Certificate of Substantial Conformance.

Certificate of Substantial Conformance. The RDC issues a "Certificate of Substantial Conformance" when the primary building and landscaping are completed in substantial compliance with the approved plans and specifications. The certificate describes any minor areas of deficiency that need to be corrected.

Clerk's Office. The "Clerk's Office" is the office of the Clerk and Recorder for the Parish of East Baton Rouge, Louisiana, where real estate documents and records relating to title to real estate are maintained.

Commercial Property. "Commercial Property" is a Residential Parcel used for office or other retail use, and does not include a live/work Residential Parcel, the Residential Units of a mixed-use Residential Parcel, or a home office on an otherwise Residential Parcel.

Common Roads. "Common Roads" are the streets and alleys located within Rouzan that are intended for automobile traffic. Most of the Common Roads are intended to be dedicated to the public. Any Common Roads not dedicated to the public shall be part of the Neighborhood Commons.

Community Operating Agreement. The "Community Operating Agreement" is the Rouzan Community Operating Agreement, recorded with the Clerk's Office, as amended from time to time. The Community Operating Agreement establishes design control, reserves certain rights to the Founder and places other restrictions on the use of Rouzan.

Guest. A "Guest" is someone present at Rouzan by the specific request or invitation of an Owner or Tenant.

Founder. The "Founder" is TRADITIONAL COMMUNITIES, LLC, a Louisiana limited liability company, and its successors as Founder.

Improvements. "Improvements" mean any Buildings, underground installations, slope alterations, lights, roads, driveways, utility facilities and lines, parking areas, fences, satellite dishes, rooftop installations, screening walls and barriers, retaining walls, stairs, decks,

windbreaks, plantings, planted trees or shrubs, poles, signs, loading areas and any Structures or landscaping improvements of every type and kind.

Including. Wherever the term "including" occurs in this Residential Declaration, it shall be interpreted broadly and without limitations as "including but not limited to".

Live/Work Unit. "Live/Work Unit" means a building or spaces within a building used jointly for commercial and residential purposes where work activities are intended to be those that are compatible with residential occupancies. The predominant use of a live/work unit is residential and commercial activity is a secondary use.

Lot. "Lot" means any portion of Rouzan now or hereafter designated as a Lot or Residential Parcel of land (other than Neighborhood Commons, dedicated public roads, or other areas dedicated to public use) on a recorded plat of subdivision or resubdivision of Rouzan or on a governmental approved site plan. If no plat is recorded, a Lot is each Residential Parcel of land (other than Neighborhood Commons, dedicated public roads, or other areas dedicated to public use) conveyed as a separate Residential Parcel of real estate, and includes any Improvements now or hereafter constructed on the Lot.

Member. Each Owner of a portion of the Residential Property is a "Member" of the Neighborhood Association.

Mortgagee. A "Mortgagee" is the holder of a mortgage.

Neighborhood Association. "Neighborhood Association" is Rouzan Neighborhood Association, a Louisiana Not-for-Profit corporation.

Neighborhood Commons. "Neighborhood Commons" comprises real property within Rouzan as designated on a plat or specifically conveyed to the Neighborhood Association, for the common use and enjoyment of all Owners. "Neighborhood Commons" also include any improvements on that real property, all utilities, utility servitudes and other servitude rights or personal property for the Owner's common use, and any other property of any type specifically designated as Neighborhood Commons. The Neighborhood Commons may include areas dedicated to the public to the extent that the Neighborhood Association agrees to maintain, or is required to maintain, such property.

Occupant. "Occupant" means any Person who occupies a Parcel at Rouzan because of a relationship to an Owner or Tenant and is not themselves an Owner, Tenant or Guest or beneficiary of a servitude.

Owner. "Owner" is the record owner, whether one or more persons or entities, of fee simple title to any Residential Parcel. Owners shall not include those having such interest merely as security 382934.1

for the performance of an obligation, or condominium associations (but shall include the condominium Owners individually).

Parcel. A "Parcel" means any plot or Residential Parcel of land designated for separate ownership or occupancy in Rouzan other than a common area, and a unit in a condominium association.

Period of Founder Control. The "Period of Founder Control" under the Residential Declaration is that period during which the Founder may appoint the majority of the Directors on the Board.

Person. A "Person" is any natural person, corporation, partnership, trust, limited liability company, or other entity.

Residential Declaration. The "Residential Declaration" is this Residential Declaration for Rouzan, as recorded in the records of the Clerk's Office, as amended from time to time.

Residential Parcel. "Residential Parcel" is a Parcel of Residential Property.

Residential Property. "Residential Property" is all property that is subject to the Residential Declaration, plus additions and less withdrawals made according to the terms of the Residential Declaration.

Residential Unit. A "Residential Unit" is an individual dwelling unit such as a single-family residence, townhouse or other attached dwelling (such as each half of a duplex unit), an apartment or condominium unit, a Live/Work Unit, or a residential dwelling within a mixed-use building.

Rouzan. "Rouzan" is the community described in the Community Operating Agreement. It is the aggregation of the Residential Parcels and the Neighborhood Commons, and the Business Parcels and Business Commons.

Rouzan Commons. The "Rouzan Commons" comprises both the Neighborhood Commons and the Business Commons.

RDC. The RDC is the Rouzan Design Committee.

Rouzan Design Committee. The Rouzan Design Committee or "RDC" is the panel established by the Community Operating Agreement to review and approve modifications to Residential Parcels and to perform other tasks described in this Residential Declaration and the Community Operating Agreement.

Rouzan Design Standards. The Rouzan Design Standards are the design and architectural code for Rouzan, as amended from time to time and other design guidelines or requirements as developed, approved, and used from time to time.

Rules and Regulations. The "Rules and Regulations" mean any Rules and Regulations adopted from time to time by the Founder or the Neighborhood Association to implement the objectives of this Residential Declaration.

Special Use Residential Parcel. A "Special Use Residential Parcel" is a Residential Parcel of unconventional size, shape, location or use that calls for special design considerations. Typically, a Special Use Residential Parcel will be used for commercial purposes, multi-family residential or community or recreation facilities.

Structure. "Structure" shall have the meaning set forth in the building code for City of Baton Rouge, Louisiana.

Substantial Capital Improvements. "Substantial Capital Improvements" are those Improvements the costs of which exceed six percent (6%) of the Neighborhood Association's annual budget, or if when added to other capital Improvements for the fiscal year, the sum is more than ten percent (10%) of the Neighborhood Association's annual budget.

Supplemental Declaration. "Supplemental Declaration" is any instrument that may be recorded by the Investor, the Founder or the Neighborhood Association as provided in the Residential Declaration.

Unified Development Code. "Unified Development Code" means any applicable ordinances, regulation or provision enacted by the applicable governing body of City of Baton Rouge, Louisiana regulating, restricting, permitting or prohibiting the use of land and the construction of Improvements thereon and, for the purpose of this definition, shall include the conditions and provisions of any special or conditional use permit affecting any portion of Rouzan or any other government-controlled or directed process affecting any portion of Rouzan.

Wheeled Transport. "Wheeled Transport" means bicycles, scooters, skateboards, roller skates, roller blades, tricycles, wheelchairs, Segway Human Transport, wagons, baby strollers and similar means of transportation, working on wheels or tracks, whether or not motorized, but not including motorcycles, motorized go carts, all terrain vehicles or mini-bikes.

Work/Live Unit. "Work/Live Unit" means a building or spaces within a building used jointly for commercial and residential purposes where the work activities are intended to be the dominant pursuit of the occupants.

Zone. "Zones" are smaller areas within Rouzan of distinct building type or character. Owners of property within a Zone may be assessed for maintenance of property primarily serving that Zone.

Miscellaneous Provisions and Signatures

Authority. This Residential Declaration shall be administered by the Neighborhood Association or by any managing agent for Rouzan designated by the Neighborhood Association.

Effect of Invalidation. If any provision of this Residential Declaration (including any attachment, exhibit, or items incorporated by reference) is held to be invalid or unenforceable by any court, the invalidity of such provision shall not affect the validity of the remaining provisions of this Residential Declaration, which shall continue unimpaired and in full force and effect and shall be construed to the fullest extent practicable as if such invalid or unenforceable provision had not been included in this Residential Declaration.

Interpretation. This Residential Declaration shall be interpreted for the mutual benefit and protection of the Owners of Rouzan and in furtherance of the basic goals of this Residential Declaration. Any discrepancy, conflict or ambiguity which may be found herein shall be resolved and determined by the Founder or the Neighborhood Association (to the extent the Founder's rights under this Residential Declaration have been assigned to the Neighborhood Association) and, in the absence of an adjudication by a court of competent jurisdiction to the contrary, such resolution and determination shall be final. This Residential Declaration and rights of the Owners within Rouzan shall be governed by the laws of the State of Louisiana, without regard to Louisiana's choice of laws provisions.

Exhibits and Appendices. All Exhibits and Appendices attached to this Residential Declaration are incorporated by reference and made a part of this Residential Declaration.

Captions; Capitalized Terms; Gender; Graphics. The paragraph headings and captions appearing in this Residential Declaration are inserted only as a matter of convenience and for reference and in no way limit or otherwise affect the scope, meaning or effect of any provisions of this Residential Declaration. Terms that are capitalized in this Residential Declaration shall have the meaning set forth in Chapter 7 of this Residential Declaration unless the context plainly makes such meaning inappropriate. Whenever the singular number is used in this Residential Declaration, the same shall also include the plural, and the masculine gender shall include the feminine and neuter genders, and vice versa, as the context requires. Graphics or renderings included as a part of this Residential Declaration have no regulatory purpose and do not represent a commitment to a particular outcome or result.

Community Cooperation. The Owners shall cooperate to utilize the Neighborhood Commons for the benefit of Rouzan. The Owners are encouraged to conduct events and undertakings to build a sense of community as well as to participate with surrounding neighborhoods in creating a "place" for Owners and their neighbors.

Compliance with Zoning Laws. All Owners shall comply with the Unified Development Code and all other applicable federal, state, and local laws including the City of Baton Rouge noise and nuisance ordinances.

Constructive Notice and Acceptance. Each Owner, Occupant or other Person, by acceptance of a deed conveying title to a part of Rouzan, or the execution of a contract for the purchase thereof, or the acceptance of a lease or license therefore, or the taking possession thereof, whether from the Investor, the Founder or other Owner or lessee, shall for itself, his successors and assigns, be deemed to (i) accept such deed, contract, lease, license or possession upon and subject to each and all of the provisions of this Residential Declaration, and (ii) covenant, to and with the Founder, and the other Owners to keep, observe, comply with and perform the requirements of this Residential Declaration, whether or not any reference to this Residential Declaration is contained in the instrument by which such Person acquired his or her interest. Owners agree to refer to this Residential Declaration in deeds, leases and licenses covering any portion of Rouzan and to make this Residential Declaration binding upon all Owners and Tenants.

Notice to the Founder. Any and all notices or other communication required or permitted by this Residential Declaration, or by law to be served on or given to the Founder must be in writing and shall be deemed appropriately served and given when the notice or communication is personally delivered, or in lieu of such personal service, on the third business day after it is deposited in the United States mail, first class, postage prepaid, certified or registered mail, return receipt requested, addressed to the Founder as follows:

TRADITIONAL COMMUNITIES, LLC 10101 Park Rowe, Suite 120 Baton Rouge, LA 70810

with copies to: Mr. Samuel A. Bacot McGlinchey Stafford, PLLC 301 Main Street, 14th Floor Baton Rouge, LA 70825

or to such other address as the Founder may specify by Supplemental Declaration executed by the Founder without need for the consent of any other Owners.

Notice to Owners. Notice to any Owner (other than the Founder), Tenant or Occupant or to any Mortgagee shall be deemed duly served when personally delivered to the Person to whom it is

382934.1

directed, or in lieu of such personal service, on the third business day after it is deposited in the United States mail, first-class postage prepaid, certified or registered mail, return receipt requested, addressed to (i) the Owner, Tenant or Occupant at the address as shown in the applicable City tax records, or to such other address as designated by the Owner, Tenant or Occupant, in writing to the Founder, as applicable; and (ii) to such Mortgagee at the address designated by the Mortgagee in writing to the Founder.

Waiver. Neither the Investor, the Founder, nor the RDC, nor the Neighborhood Association or its Board nor their successors or assigns shall be liable for damages to any Owner, lessee, licensee, or Occupant by reason of any mistake in judgment, negligence, nonfeasance, action or inaction in the administration of the provisions of this Residential Declaration, the Rouzan Design Standards or the Rules and Regulations or for the enforcement or failure to enforce this Residential Declaration, the Rouzan Design Standards or the Rules and Regulations or any part thereof; and every Owner or Occupant, by acquiring an interest in Rouzan, agrees that he, she or it will not bring any action or suit against the Investor, the Founder, the RDC or its members, the Neighborhood Association or its Board to recover damages or to seek equitable relief on account of their enforcement or non-enforcement of this Residential Declaration.

Re-recording. Unless this Residential Declaration is terminated, the Neighborhood Association shall rerecord this Residential Declaration or other notice of its terms at intervals necessary under Louisiana law to preserve its effect.

[Signatures on following pages]

IN WITNESS WHEREOF, the undersigned do hereby make this Amended and Restated Residential Declaration for Rouzan, and have caused this Amended and Restated Residential Declaration for Rouzan to be executed effective as of the day and year first above written in the presence of me, Notary Public and the undersigned witnesses, after due reading of the whole.

WITNESSES:

BY:

NAME: JOSEPH T. SPINOSA

TITLE: MANAGER

Printed Name: Bran L Me Willow

Printed Name: Bran L Me Willow

Notary Public

Name: JERRILYN VASTA

Notary Public 058364

East Baton Rouge Parish, L Bar Roll # 058364

State of Louisiana

My Commission Expires: death

IN WITNESS WHEREOF, the undersigned do hereby make this Amended and Restated Residential Declaration for Rouzan, and have caused this Amended and Restated Residential Declaration for Rouzan to be executed effective as of the day and year first above written in the presence of me, Notary Public and the undersigned witnesses, after due reading of the whole.

TRADITIONAL COMMUNITIES, L.L.C., A Louisiana limited liability company,

Printed Name: [3] A. Jarrell

Printed Name: Brian L. M. Willough

BY: NAME: JOSEPH T. SRINOSA, III
TITLE: Manager

Notary Public

JERRILYN VASTA Bar Roll # 058364

Notary Public 058364
East Baton Rouge Parish, LA

State of Louisiana My Commission Expires:

Appendix I: Early Years

This appendix contains information about how the community is to operate in the earlier years. It gives a timetable for various transitions from complete developer control to independence. When the transition is complete, this appendix is no longer necessary and may be disregarded.

The Neighborhood Commons

At the time that the first Residential Parcels are conveyed to Owners, the Founder will still be developing portions of community, and this development will likely continue for a period of years. The Founder has reserved in the Residential Declaration various servitudes and rights that it needs to be able to complete development of the community. The Founder may convey to the Neighborhood Association additional Neighborhood Commons as they are completed. The Neighborhood Association is required to accept these additional Neighborhood Commons for maintenance, as long as any Improvements on the Neighborhood Commons are in reasonable repair, normal wear and tear excepted, at the time of conveyance to the Neighborhood Association.

Architectural Control

To allow the Founder to complete development in accordance with the Founder's vision for the community, the Founder shall have the right to approve all initial Improvements. No changes can be made in the Rouzan Design Standards without the Founder's consent until completion of initial Improvements for all Residential Parcels.

Finance

Founder's Assessments; Founder's Guarantee. The Investor, the Founder or either of their designated entities shall be excused from payment of General Assessments during the Guarantee Period as defined below. The Founder guarantees to Owners that their General Assessments during the Guarantee Period shall not exceed the initial General Assessment (subject to the increases set forth below). The Founder agrees to pay any Neighborhood Association expenses incurred during the Guarantee Period and normally paid through General Assessments that exceed the amount produced by the General Assessments during that time. The Guarantee Period shall begin upon the recordation with the Clerk's Office, of the first deed of conveyance of a Residential Parcel in Rouzan and shall end at the conclusion of the third subsequent full fiscal year (so that three (3) full fiscal years are guaranteed). The Guarantee Period shall then be automatically extended for successive six-month periods up to an additional three years unless terminated upon written notice by the Founder to the Neighborhood Association at least thirty (30) days before the end of then-current Guarantee Period. During the Guarantee Period, the General Assessments may be increased by up to fifteen percent (15%) per year.

Owner's Assessments. Each Owner begins paying annual General Assessments from the time the Residential Parcel is conveyed, prorated to the month of closing. The Owner may be required to pay the remainder of that year's General Assessments in advance. If there is a Special Assessment in effect for that Residential Parcel, it will also be prorated to the month of closing.

Assignment of Developer Rights

The Founder may assign all or any portion of its rights or obligations under the Residential Declaration at any time to a successor or assign, or to the Institute if one is created, or the Neighborhood Association.

Additional Information

Neither the Neighborhood Association nor the Founder makes any representation or assumes any liability for any loss or injury.

Quick View: Roles of the Founder and the Neighborhood Association

The Founder	The Neighborhood Association
Constructs the initial improvements on the Neighborhood Commons.	Maintains the improvements to the Neighborhood Commons and makes capital improvements or replaces improvements as it determines is appropriate.
Installs the initial landscaping on the Neighborhood Commons.	Maintains the landscaping of the Neighborhood Commons at the level of care it determines is appropriate.
Maintains an office and staff as necessary to conduct its sales operations and to fulfill its Founder duties. May hire a Manager to fulfill its duties.	Maintains an office and staff as necessary to manage the Neighborhood Association's affairs. May hire a Manager to fulfill its duties.
Prepares the initial estimated budget for the Neighborhood Association.	Adopts the initial budget and subsequent budgets.
Collects the Capital Contribution at closing and delivers it to the Neighborhood Association.	Collects assessments based on budget.

EXHIBIT A

Legal Description of the Community

A certain tract or parcel of land being a 124.844 acre, more or less, portion of Richland Plantation, located in Section 94, Township 7 South, Range 1 East, Greensburg Land District, East Baton Rouge Parish, Louisiana, and being more particularly described as follows:

Commence at the point of intersection of the southerly right-of-way line of Perkins Road (LA Hwy 427) and the easterly right-of-way line of Glasgow Avenue, said point being the point of beginning;

Thence, from the point of beginning, proceed South 63 degrees 38 minutes 08 seconds East, along the southerly right-of-way line of Perkins Road (LA Hwy 427), a distance of 505.18 feet;

Thence proceed South 61 degrees 10 minutes 08 seconds East, along the southerly right-of-way line of Perkins Road (LA Hwy 427), a distance of 209.11 feet;

Thence proceed along the southerly right-of-way line of Perkins Road (LA Hwy 427), along a curve to the left, said curve having a radius of 3,766.72 feet, arc length of 128.38 feet, delta angle of 01 degree 57 minutes 11 seconds, and a chord bearing South 62 degrees 39 minutes 33 seconds East for a distance of 128.38 feet;

Thence proceed along the southerly right-of-way line of Perkins Road (LA Hwy 427), along a curve to the right, said curve having a radius of 3,769.72 feet, arc length of 330.21 feet, delta angle of 05 degrees 01 minutes 09 seconds, and a chord bearing South 59 degrees 44 minutes 11 seconds East for a distance of 330.12 feet;

Thence proceed South 28 degrees 39 minutes 35 seconds West, along the southerly right-of-way line of Perkins Road (LA Hwy 427), a distance of 1.48 feet;

Thence proceed South 59 degrees 28 minutes 42 seconds East, along the southerly right-of-way line of Perkins Road (LA Hwy 427), a distance of 60.45 feet;

Thence proceed South 56 degrees 24 minutes 11 seconds East, along the southerly right-of-way line of Perkins Road (LA Hwy 427), a distance of 104.36 feet;

382934.1

Thence leaving said right-of-way proceed South 28 degrees 40 minutes 51 seconds West a distance of 637.32 feet;

Thence proceed South 61 degrees 19 minutes 11 seconds East a distance of 103.98 feet;

Thence proceed North 28 degrees 40 minutes 51 seconds East a distance of 287.35 feet; Thence proceed South 61 degrees 26 minutes 15 seconds East a distance of 107.97 feet;

Thence proceed North 28 degrees 40 minutes 49 seconds East a distance of 331.50 feet to the southerly right-of-way line of Perkins Road (LA Hwy 427);

Thence proceed South 56 degrees 24 minutes 10 seconds East, along the southerly right-of-way line of Perkins Road (LA Hwy 427), a distance of 100.35 feet;

Thence proceed South 28 degrees 40 minutes 49 seconds West, along the southerly right-of-way line of Perkins Road (LA Hwy 427), a distance of 10.54 feet;

Thence proceed South 55 degrees 42 minutes 27 seconds East, along the southerly right-of-way line of Perkins Road (LA Hwy 427), a distance of 194.61 feet;

Thence proceed along the southerly right-of-way line of Perkins Road (LA Hwy 427), along a curve to the left, said curve having a radius of 22,973.32 feet, arc length of 233.10 feet, delta angle of 00 degrees 34 minutes 52 seconds, and a chord bearing South 55 degrees 59 minutes 53 seconds East for a distance of 233.00 feet;

Thence proceed South 59 degrees 25 minutes 43 seconds East, along the southerly right-of-way line of Perkins Road (LA Hwy 427), a distance of 118.98 feet;

Thence proceed South 56 degrees 30 minutes 09 seconds East, along the southerly right-of-way line of Perkins Road (LA Hwy 427), a distance of 51.33 feet;

Thence proceed South 28 degrees 39 minutes 37 seconds West a distance of 327.84 feet;

Thence proceed North 47 degrees 00 minutes 00 seconds West a distance of 177.34 feet;

Thence proceed South 26 degrees 13 minutes 00 seconds West a distance of 1,057.61 feet;

Thence proceed North 63 degrees 47 minutes 01 seconds West a distance of 15.00 feet;

Thence proceed South 26 degrees 13 minutes 00 seconds West a distance of 875.00 feet;

Thence proceed South 63 degrees 47 minutes 01 seconds East a distance of 15.00 feet; 382934.1

Thence proceed South 26 degrees 13 minutes 00 seconds West a distance of 1,100.00 feet;

Thence proceed North 59 degrees 44 minutes 46 seconds West a distance of 111.56 feet;

Thence proceed North 60 degrees 18 minutes 06 seconds West a distance of 610.00 feet;

Thence proceed North 30 degrees 11 minutes 10 seconds East a distance of 53.00 feet;

Thence proceed North 42 degrees 57 minutes 21 seconds West a distance of 142.53 feet;

Thence proceed South 38 degrees 10 minutes 09 seconds West a distance of 150.09 feet;

Thence proceed North 52 degrees 53 minutes 10 seconds West a distance of 123.52 feet;

Thence proceed North 27 degrees 44 minutes 57 seconds East a distance of 166.23 feet;

Thence proceed North 60 degrees 17 minutes 03 seconds West a distance of 149.51 feet;

Thence proceed North 27 degrees 56 minutes 57 seconds East a distance of 403.60 feet;

Thence proceed South 61 degrees 04 minutes 03 seconds East a distance of 179.78 feet;

Thence proceed North 28 degrees 39 minutes 36 seconds East a distance of 571.45 feet to the westerly right-of-way line of Dauphine Avenue;

Thence proceed South 61 degrees 33 minutes 51 seconds East, along the southerly right-of-way line of Dauphine Avenue, a distance of 50.00 feet;

Thence proceed North 28 degrees 39 minutes 36 seconds East, along the easterly right-of-way line of Dauphine Avenue, a distance of 350.00 feet;

Thence proceed North 61 degrees 33 minutes 24 seconds West a distance of 1285.00 feet to the easterly right-of-way line of Glasgow Avenue;

Thence proceed North 28 degrees 39 minutes 36 seconds East, along the easterly right-of-way line of Glasgow Avenue, a distance of 1,910.80 feet;

Thence proceed North 64 degrees 00 minutes 18 seconds East, along the easterly right-of-way line of Glasgow Avenue, a distance of 22.06 feet to the southerly right-of-way line of Perkins Road (LA Hwy 427) and the point of beginning.

Less and except a 5.045 acre, more or less, portion of Richland Plantation, located in Section 94, Township 7 South, Range 1 East, Greensburg Land District, East Baton Rouge Parish, Louisiana, and being more particularly described as follows:

Commence at the point of intersection of the southerly right-of-way line of Perkins Road (LA Hwy 427) and the easterly right-of-way line of Glasgow Avenue, thence South 64 degrees 00 minutes 18 seconds East along the easterly right-of-way line of Glasgow Avenue a distance of 22.06 feet, thence South 28 degrees 39 minutes 36 seconds West along the easterly right-of-way line of Glasgow Avenue a distance of 1,362.49 feet, thence South 61 degrees 20 minutes 24 seconds East a distance of 543.46 feet to the point of beginning;

Thence, from the point of beginning, proceed North 01 degrees 18 minutes 38 seconds East a distance of 157.88 feet;

Thence proceed North 11 degrees 32 minutes 37 seconds East a distance of 255.03 feet;

Thence proceed South 87 degrees 59 minutes 40 seconds East a distance of 553.66 feet;

Thence proceed South 30 degrees 38 minutes 17 seconds West a distance of 220.24 feet;

Thence proceed South 31 degrees 51 minutes 22 seconds West a distance of 241.35 feet;

Thence proceed South 65 degrees 47 minutes 25 seconds East a distance of 8.23 feet;

Thence proceed South 28 degrees 43 minutes 22 seconds West a distance of 169.41 feet;

Thence proceed North 61 degrees 45 minutes 58 seconds West a distance of 334.19 feet to the point of beginning.

EXHIBIT A-1

Map of the Community

[SEE FOLLOWING PAGE]

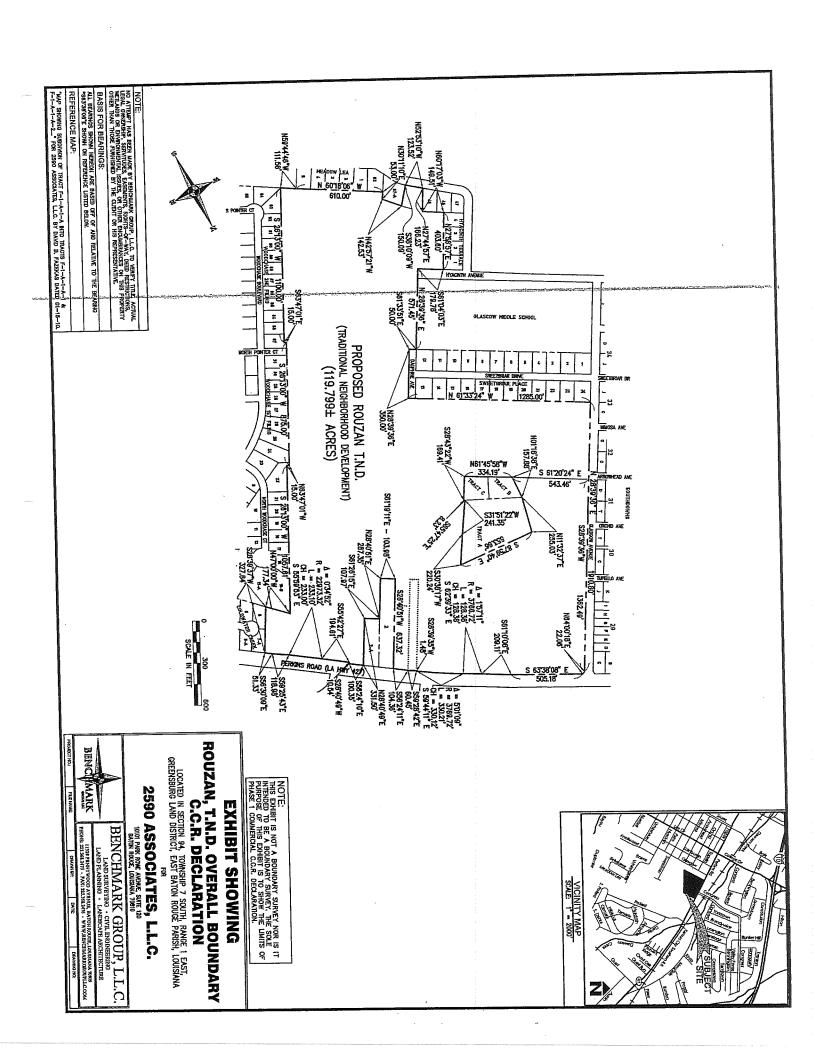


EXHIBIT B

Legal Description of the Residential Neighborhood

A certain Tract of land containing 5.17 Acres together with all improvements located in Section 94, Township 7 South, Range 1 East, Greensburg Land District, East Baton Rouge Parish, Louisiana, shown as Tract M-3A on a Plat Titled "Map Showing Subdivision of Tracts F-1-A-1-A-1-B into Tracts F-1-A-1-A, M-3A & "PS" Ralph M. Ford Property Richland Plantation" by David B. Fazekas Dated May 27, 2011 and more fully described as follows:

Commencing at the East Right-of-Way Line of Glasgow Avenue and the South Right-of-Way Line of Perkins Road same point being the Northwest corner of Tract F-1-A-1-A;

Thence leaving the South Right-of-Way Line of Perkins Road and along the East Right-of-Way Line of Glasgow Avenue South 28 degrees 39 minutes 36 seconds West, 1410.89 feet to the common property boundary line between Tracts M-3A and F-1-A-1-A and the Point of Beginning;

Thence leaving said Right-of-Way Line and along the common property boundary line between Tracts M-3A and F-1-A-1-A South 61 degrees 20 minutes 24 seconds East, 137.00 feet;

Thence South 28 degrees 39 minutes 36 seconds West, 120.39 feet;

Thence South 61 degrees 20 minutes 24 seconds East, 113.00 feet;

Thence North 28 degrees 39 minutes 36 seconds East, 29.00 feet;

Thence South 61 degrees 20 minutes 24 seconds East, 47.00 feet;

Thence South 28 degrees 39 minutes 36 seconds West, 13.37 feet;

Thence South 48 degrees 39 minutes 35 seconds East, 7.43 feet;

Thence South 61 degrees 20 minutes 24 seconds East, 123.60 feet;

Thence along a curve to the Left being concave to the Southwest having a Radius of 38.00 feet and a Length of 53.27 feet, (Chord Bearing South 21 degrees 10 minutes 50 seconds East, Chord Distance 49.01 feet);

Thence along a curve to the Right being concave to the Southwest having a Radius of 146.00 feet and a Length of 40.32 feet, (Chord Bearing South 26 degrees 53 minutes 27 seconds West, Chord Distance 40.19 feet);

Thence along a curve to the Right being concave to the Northwest having a Radius of 38.00 feet and a length of 34.65 feet, (Chord Bearing South 60 degrees 55 minutes 41 seconds West, Chord Distance 33.47 feet);

Thence South 17 degrees 50 minutes 15 seconds East, 18.36 feet;

Thence South 28 degrees 39 minutes 36 seconds West, 106.00 feet;

Thence South 61 degrees 20 minutes 24 seconds East, 4.97 feet;

Thence along a curve to the Left being concave to the Northeast having a Radius of 55.00 feet and a Length of 20.10 feet, (Chord Bearing South 71 degrees 48 minutes 37 seconds East, Chord Distance 19.99 feet);

Thence South 07 degrees 43 minutes 10 seconds West, 50.00 feet;

Thence along a curve to the Left being concave to the Northwest having a Radius of 105.00 feet and a Length of 59.75 feet, (Chord Bearing North 81 degrees 25 minutes 04 seconds East, Chord Distance 58.95 feet);

Thence along a curve to the Left being concave to the Southwest having a Radius of 286.01 feet and a Length of 233.86 feet, (Chord Bearing North 41 degrees 41 minutes 30 seconds East, Chord Distance 227.40 feet);

Thence South 61 degrees 20 minutes 24 seconds East, 63.15 feet;

Thence South 30 degrees 12 minutes 30 seconds West, 82.00 feet;

Thence South 44 degrees 53 minutes 00 seconds West, 60.00 feet;

Thence South 59 degrees 04 minutes 00 seconds West, 50.00 feet;

Thence South 60 degrees 26 minutes 30 seconds West, 52.00 feet;

Thence South 49 degrees 41 minutes 41 seconds West, 53.42 feet;

Thence South 28 degrees 39 minutes 36 seconds West, 110.00 feet to the common property boundary line between Tract M-3A and Sweetbriar Place Subdivision; 382934.1

Thence along said common property boundary line North 61 degrees 33 minutes 24 seconds West, 575.00 feet to the East Right-of-Way Line of Glasgow Avenue;

Thence along said Right-of-Way Line North 28 degrees 39 minutes 36 seconds East, 499.91 feet to the common property boundary line between Tracts M-3A and F-1-A-1-A and the Point of Beginning.

EXHIBIT B-1

<u>Map of the</u> <u>Residential Neighborhood</u>

[SEE FOLLOWING PAGE]

\28137383.2

