LAW OFFICES
BACH & WASSERMAN
3939 N. Causeway Blvd.
Suite 200
METAIRIE, LOUISIANA 70002
504-846-5700

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR MADISON VILLAS GARDEN HOME COMMUNITY

THIS DECLARATION AND MASTER DEED is made this 10th day of September, 2004, by **Madison Villas, L.L.C.**, a Louisiana limited liability company, hereinafter represented by its Managing Members, **ROBERT O. LONG, III**, and **JEFFREY M. LONG**, duly authorized by Certificate of Authority annexed hereto and made part hereof, pursuant to the provisions of Louisiana law, for the purpose of regulating the hereinafter described real property and the improvements located thereon. Furthermore this Declaration is a restatement of, and takes precedence over and supercedes that certain Declaration of Covenants, Conditions and Restrictions originally dated March 24, 2004, which Instrument has been lost and has never been recorded, and the Act of Amendment to said Instrument, dated August 11, 2004, recorded in Instrument No. 1448514 of the records of St. Tammany Parish.

WITNESSETH:

WHEREAS, Madison Villas, L.L.C. is the owner of certain immovable property hereinafter referred to as "Madison Villas," consisting of fifty-six (56) units located on the property more fully described as follows, to wit:

THAT CERTAIN PIECE OR PARCEL OF GROUND , together with all buildings and improvements thereon, all rights, ways, means, privileges, servitudes, prescriptions, appurtenances and advantages thereunto belonging or in anywise appertaining, situated in Section 44, Township 7 South, Range 10 East, St. Tammany Parish, Louisiana, and more particularly described as follows, to-wit:

Commencing from the Northeast Corner of Section 44, of said township and range, thence South 89 degrees 00 minutes West 957.0 feet to a point, thence South 14 degrees 40 minutes East 438.24 feet to a point, thence South 54 degrees 23 minutes East 8.17 feet to a ½ inch iron rod set on the Westerly Side of Louisiana Highway No. 1077 and being the POINT OF BEGINNING.

Thence South 21 degrees 56 minutes 43 seconds East 371.36 feet along the Westerly side of said highway to a ½ inch iron rod found, thence South 68 degrees 54 minutes 10 seconds West 139.68 feet to a fence post found, thence South 20 degrees 39 minutes 18 seconds East 222.89 feet to a ½ inch iron rod found, thence South 68 degrees 51 minutes 34 seconds West 239.19 feet to a fence post found, thence South 21 degrees32 minutes 26 seconds East 189.75 feet to a ½ inch iron rod found, thence North 71 degrees 47 minutes 35 seconds West 110.85 feet to a ¾ inch iron pipe found, thence South 10 degrees 59 minutes 48 seconds East 277.96 feet to a ½ inch iron rod found, thence South 88 degrees 15 minutes 49 seconds West 154.51 feet to a ½ inch iron rod found, thence North 39 degrees 10 minutes 41 seconds West 470.39 feet to a ½ inch iron rod found, thence North 22 degrees 04 minutes 43 seconds West 352.52 feet to a ¾ inch iron rod found, thence North 00 degrees 53 minutes East 181.34 feet to a ½ inch iron rod found, thence North 87 degrees 50 minutes East 210.0 feet to a ½ inch iron rod set, thence North 00 degrees 53 minutes East 210.0 feet to a ½ inch iron rod set, thence North 87 degrees 50 minutes East 487.18 feet to the POINT OF BEGINNING, containing 13.356 Acres. All as more fully described on the survey by John G. Cummings, Professional Land Surveyor, dated June 1, 2000, recorded in Instrument No. 1219217 of the Conveyance Records of St. Tammany Parish, Louisiana.

St. Tammany Parish 247
Instrmnt #: 1454360
Registry #: 1431976 SHC
09/17/2004 11:45:00 AM
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WHEREAS, it is the desire and intention of Owner by recording this Declaration of Covenants, Conditions and Restrictions to establish a Garden Home Development to be know as **Madison Villas Garden Home Community**, under the provisions of the law and to impose upon the Development mutually beneficial restrictions under a general plan for the benefit of all Garden Home Units contained therein and the owners thereof.

NOW, THEREFORE, Owner does, upon the recording hereof, establish the Development as a Garden Home Development under the law and does hereby declare that the Development shall, after such establishment, be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied, and improved and in any other manner utilized, subject to the provisions of this Act and to the covenants, conditions, restrictions, uses, limitations and affirmative obligations set forth in this Declaration of Covenants, Conditions and Restrictions, all of which are declared and agreed to be furtherance of a plan for the improvements of said property and the division thereof into Garden Homes, and all of which run with the land and shall be binding on all parties (including Owners as hereinafter defined) having or acquiring any right, title, or interest in the Development or any part thereof, and shall inure to the benefit of and be binding upon each successor in interest of the Owners thereof.

ARTICLE 1

DEFINITIONS

Certain terms as used in this Declaration shall be defined as follows, unless the context clearly indicates a different meaning therefore:

A. "**Laws**" shall mean the Louisiana Law, Parish and City ordinances applicable to a Garden Home plan of unit development, and as the same may be amended from time to time.

B. "**Garden Home**" refers to a status of legal ownership in which the Unit Owner owns title to the real property on which his/her single family residential unit is located and all the improvements thereon including foundation, and common property boundaries as pertains to the Unit Owner's individual unit.

C. "**Association**" shall mean the **Madison Villas Community Association, Inc.** , a Louisiana non-profit corporation, of which all Owners shall be members and through which the Development shall be managed as a Garden Home Community Development. Said corporation is the owner of the common areas; ownership of the common area is appurtenant to Association membership.

D. "**Board of Directions**" or "**Board**" shall mean the governing body of the Association, elected pursuant to the By-Laws of the Association.

E. "**By-Laws**" shall mean such By-Laws of the Association adopted by the Board, and as the same may be amended from time to time.

F. "**Unit**" shall mean the entire interest in the improved real property and all structures and improvements now or hereafter erected thereon, together with all additions which may hereafter be made thereto owned by any owner, including rights in the common areas.

G. "**Declaration**" shall mean this instrument.

H. "**Developer**" shall mean **Madison Villas, L.L.C.**, who is the Assignee of RTM, L.L.C., the original Developer, of all of its rights as Developer, by virtue of the Act of Assignment dated July 21, 2004, passed before C. Richard Gerage, Notary Public, annexed hereto and made part hereof.

I. "**Eligible Holder**" shall mean and include the following:

i. Any mortgagee;

ii. FNMA or FHLMC to the extent either shall hold any Mortgage; and

iii. FHA or VA to the extent either shall insure or guarantee any Mortgage

J. "**Land**" shall mean:

THAT CERTAIN PIECE OR PARCEL OF GROUND, together with all buildings and improvements thereon, all rights, ways, means, privileges, servitudes, prescriptions, appurtenances and advantages thereunto belonging or in anywise appertaining, situated in Section 44, Township 7 South, Range 10 East, St. Tammany Parish, Louisiana, and more particularly described as follows, to-wit:

Commencing from the Northeast Corner of Section 44, of said township and range, thence South 89 degrees 00 minutes West 957.0 feet to a point, thence South 14 degrees 40 minutes East 438.24 feet to a point, thence South 54 degrees 23 minutes East 8.17 feet to a ½ inch iron rod set on the Westerly Side of Louisiana Highway No. 1077 and being the POINT OF BEGINNING.

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K. "**Common Areas**" shall mean and include the following:

a. The premises and facilities, if any, used for the maintenance or repair of the Garden Home Development;

b. All common recreational facilities such as the grounds, yards and walkways;

c. All other elements desirable or rationally of common use or necessary to the existence, upkeep and safety of the Garden Home Development;

d. Servitudes of passage used for vehicular or pedestrian transportation within the development.

L. "**Managing Agent**" or "**Manager**" shall mean the person or firm designated by the Board of Directors as hereafter provided to manage the affairs of the Development.

M. "**Mortgage**" shall mean a first lien security interest on one or more Garden Homes.

N. "**Mortgagee**" shall mean a beneficiary under, or holder of a Mortgage who has given to the Association written notice that it is the beneficiary under of a Mortgage affecting all or any part of the Development, as here in defined.

O. "**Owner**" shall mean and refer to every person or entity that is a record owner of a Unit or an undivided interest in any Unit. The foregoing is not intended to include

person or entities who hold an interest merely as security for the performance of an obligation.

P. "**Plan**" shall mean that certain Survey or Plan of Subdivision entitled "Madison Villas, a Planned Unit Development" prepared by Wilson-Pope, Inc. dated March 17, 2003, last revised July 1, 2004, as approved by the Parish of St. Tammany, filed July 28, 2004, as Map File No. 3518 of the records of St. Tammany Parish.

Q. "**Development**" shall mean the Property and all structures and improvements now or hereafter erected thereon, together with all additions, which may hereafter be made thereto as provided in Article II.

R. "**Property**" shall mean the Land and any Common Areas together with the servitudes appurtenant thereto.

S. "**De Minimus PUD**" shall mean a planned unit development in which the common property has a relatively insignificant influence upon the enjoyment of the premises or has little or no effect upon the value of the property securing the Unit's mortgage.

T. "**Additional Property**" shall mean any land adjacent to the Property situated in the Parish of St. Tammany, Louisiana.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

2.01 Description and Ownership of Development and Garden Homes

The Development covered by this Declaration is hereinafter called Madison Villas Community. The Development consists of Fifty-Six (56) Garden Homes. Each Owner shall be entitled to exclusive ownership and possession of a Garden Home Unit. The legal interest of each Owner of a Garden Home Unit shall be fee simple. Ownership of the Common Areas, if any, is vested in the Association. Such ownership is appurtenant to ownership in Madison Villas Community.

2.02 Parking Spaces and Vehicle Storage

Each Garden home approved for construction in Madison Villas Community will be so constructed as to include an enclosed parking garage. No on street parking will be allowed. Garden Home Unit Owners has the right to temporarily park automobiles in the driveway appurtenant to their unit but in no event will more than one automobile be allowed to remain parked in any driveway appurtenant to a Garden Home unit. Use of the driveway does not include: (i) the right to perform any maintenance or repair work on any vehicle(s), or, (ii) the right to conduct any business transactions of any natures (e.g. "garage sales"). The driveways are to be used solely and exclusively for the temporary parking of automobiles and as a passageway. Furthermore, Garden Home Owners must keep such parking spaces and their driveways, and the immediately surrounding areas, in a safe and clean manner and free from debris and waste. Temporary parking of automobiles or service/maintenance vehicles in driveways or on public streets will be allowed for a period of 12 consecutive hours but in no event will said vehicles remain in the driveway or on the public street beyond 8:00 PM each evening without the expressed written consent of the Board of Directors of the Association or its duly appointed representative.

Recreational vehicles, motorbikes, bicycles, boats, etc. can only be parked within the Units enclosed parking garage and only if such vehicles can completely fir within said enclosed area with the door to said space (i.e. garage door) being fully and properly closed.

Vehicles, which do not comply with proper parking covenants, shall be stored at the owner's expense in the attached Madison Villas Storage Park adjacent to the development. Placement of any vehicle, boat, bicycle or other moveable property in the referenced Storage Park shall constitute rental of space only and shall not create liability to the Developer, Association, their heirs or assigns for the security of any vehicle or other moveable or its contents.

2.03 Ownership of the Common Areas

Ownership of the Common Area, if any, is vested in the Association. Membership in the Association is appurtenant to Unit ownership, and the two cannot be separated. Except as otherwise limited in this Declaration, each Owner shall have the right to use the Common Area for all purposes incidental to the use, occupancy and enjoyment of his/her Garden Home Unit as a place of residence, and any such incidental uses permitted by this Declaration, without hindering or encroaching upon the lawful rights of the other Owners, which right shall be appurtenant to and run with his/her Garden Home title. None of the Common Areas, recreational facilities, parking spaces or other amenities contemplated, as a part of the Development shall be leased to the owners of the Association.

2.04 Alterations of Garden Homes

Developer reserves the right to change the design and arrangement of all Garden Homes and to alter the boundaries between the Garden Homes as long as the Developer owns the Garden Homes so altered. Changes in the boundaries between Garden Homes and/or Unit Lots, if necessary, shall be reflected by an amendment to the Plan and this Declaration.

2.05 Servitudes

A. The Developer, and/or the Board, on behalf of the Association, shall have the right to grant utility servitudes under, through, or over the Common Areas, which are reasonably necessary to the ongoing development and operations of the Development; provided, however, servitudes through a Garden Home shall only be such as shown in the plans for the building to be constructed, or as the building shall be constructed.

B. Developer hereby reserves for Developer, its successors and assigns, forever, the nonexclusive, free, continuous and uninterrupted use, liberty, privileges and servitude of the passage (the "Passage Servitude") of any passing in, upon and along the streets situated on the Property as passing in, upon and along private streets situated on the Property as shown on the Plan and any amendments or additions thereto. The Servitude shall run with the land and shall enure to the benefits of all parties having or acquiring any right, title or interest in the Additional Property. The Servitude pf Passage shall be used for such pedestrian and vehicular traffic as Developer, it successors and assigns, shall deem necessary or convenient at all times.

2.06 Encroachments

The existing common area or lot line between any two Garden Homes, either or both of which are constructed or reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be a legal boundary line between the said Garden Homes, notwithstanding any metes and bounds description expressed in the Plan or in an instrument of grant, assignment or conveyance and those existing from time to time. In the event any portion of the Common Areas encroach upon the Garden Homes or any Garden Home encroaches upon the Common Areas, as a result

of the construction, reconstruction, repair shifting, settlement or movement of any portion of the Development, a valid servitude for the encroachment and for the maintenance of the same shall exist so long as the encroachment and for the maintenance of the same shall exist so long as the encroachment exists. Fencing of side and back of individual Units will be granted by the Developer as it sees fit.

2.07 Sale of Interest In Common Areas

No Owner shall be entitled to sell, lease or otherwise convey his/her interest in any of the Common Areas, if any, or in any element of the component interests which comprise his/her Unit, except in conjunction with a conveyance of his/her Unit, and any attempted or purported transaction in violation of this provision shall be void.

2.08 Addition of the Additional Property to the Project

Additional Property may become subject to this Declaration in the following manner:

A. Developer may, without the consent of any Owner or Mortgagee, at any time add any Additional Property and any improvements thereon to the Project and to the concept of this Declaration by filing of record a *Garden Home Plan for the Additional Property* and a *Supplementary Declaration of Covenants; Conditions and Restrictions* for each Phase, which shall extend the concept of the covenants, conditions and restrictions of this Declaration to the particular Phase added to the Project.

B. In the event any additional Property is added to the Project as set forth in this section such addition when made shall automatically extent the jurisdiction, functions and duties of the Association to the particular Phase added to the Project. Upon the filing of the Garden Home Plan and the Supplementary Declaration of Covenants, Conditions and Restrictions, the ownership in the Common Areas relating to each garden Home and liability for assessment shall be appurtenant to Unit ownership.

C. All improvements to the Additional Property shall be consistent with initial improvements to the project in terms of quality of construction. All intended improvements to the particular Phase to be added to the Project must be substantially completed prior to the time such Phase is added to the Project.

D. All cost of development of the Additional Property shall be borne by and directly paid by Developer until such time as Assessments hereunder shall begin to accrue Developer does not warrant, represent or guarantee that any Additional Property will be added to the Project. Each owner agrees, by acceptance of a deed to a Unit, that he/she has not relied on any Additional Property being added to the project in purchasing his/her unit.

ARTICLE III

ORGANIZATION AND MANAGEMENT OF ASSOCIATION

3.01 The Board of Directors

The Development shall be organized and operated as a Garden Home residential development. The Owners shall operate the Development as provided herein through

the Association. The Board of Directors of the Association shall consist of not less than two (2) nor more than five (5) members, the exact number to be fixed from time to time by the Owners of a majority of the Garden Homes. The initial Board of Directions shall consist of two (2) members, **ROBERT O. LONG, III** and **JEFFREY M. LONG**.

3.02 Voting

The Association shall have two classes of voting membership:

Class A- Class A members shall be all Owners with the exception of the Developer. Class A Members be entitled to one (1) vote for each Unit in which they hold the interest required for membership. When more than one person holds such an interest, or interests, those persons many, as they determine, assign their Unit vote to a duly authorized representative but in no event shall more than one vote per unit be case with respect to any Unit Ownership.

Class B- Class B members shall be the Developer. The Class B Member(s) shall have a total number of votes equal to one (1) more than the total number of votes of the Class A Members. However, at such times as the total number of Unit votes of the Class A Members equals or exceeds four (4) times the total number of units owned by the Class B Member(s), the Class B Member(s) shall, during the time such equality or excess continues, be entitled to only one (1) vote for every Unit owned by it. Control of the Association shall become vested in the Class A members when all of the Units are completed and the Owners of the Unit have moved into the Unit.

3.03 Election, Tenure and Proceedings of Board of Directors

At the organizational meeting of the Association, as provided in the By-Laws, the Owners shall elect a new Board of Directors and at each annual meeting, the Owners shall elect members of the Board to replace the members whose terms have expired, as provided in the By-Laws. Members of the Board (other than the initial Board of Directions as specified in the articles or Incorporation) shall be Owners or spouses of Owners. If an Owner is a partnership or corporation, any partner or duly authorized representative of the corporation, shall qualify as Owner and may be a member of the Board. A majority of the total number of members on the Board shall constitute a quorum. Members of the Board elected at the organizational meeting shall serve until the first annual meeting. At the first annual meeting two (2) Board members shall be elected.

At the organizational meeting, each member of the Board shall be elected for one (1) year. Thereafter, member of the Board of Directors shall serve for a term of two (2) years and until their respective successors are elected, or until their death, resignation or removal; provided, that if any member ceases to be an Owner, or the spouses of an Owner, his/her membership on the Board shall thereupon terminate. Any member of the Board may resign at any time by giving notice to the other members of the Board, and any members of the Board may be removed from membership of the Board by the vote of the Owners of a majority of the Units. The other members of the Board shall fill any vacancy in the Board, provided that the Owners, acting at the meeting call within ten (10) days after the occurrence of the vacancy, may fill the vacancy. Any vacancy filled bye the Board shall serve only until the next annual meeting of the Owners.

The Board may act (1) by majority vote at a meeting at which of its member are present and of which notice has been given or for which notice has been waived, or (2) by the unanimous written consent of its members without a meeting. The Board shall, by resolution, establish the required notice of meetings and other regulations for the conduct of its meetings.

3.04 Consent of Owner in Lieu of Meeting

Any action, except election of the Board, which may be taken by the vote of the Owners at a meeting, may be taken without a meeting if authorized by written consent of the Owners owning at least a majority of the Units; provided, that if any greater proportion of voting power is required for such action at a meeting, then such greater proportion of written consents shall be required.

In no instance where action is authorized by written consent need a meeting of Owners be called or noticed.

3.05 Delegation

The Board of Directors shall elect (A) a President of the Association who shall preside over both its meetings and those of the Owners, and who shall be the chief executive officer of the Association, (B) a Secretary who shall keep the minutes of all meetings of the Board and of the Owners and who shall, in general perform all the duties incident to the office of secretary, (C) a Treasurer to keep the financial records and books of account, and (D) such additional officers as shall be authorized by the by-Laws of the Association. The Board may delegate any of its duties, powers or functions, including, but not limited to, the authority to give the certificated provided for the Article IV hereof, to any person or firm, to act as Manager of the Development of any separate portion thereof, provided, they any such delegation shall be revocable upon not more than thirty (30) days' written notice by the Board. The members of the Board shall not be liable for any omission or improper exercise by the Manager of any such duty, power or function so delegated by written instrument executed by a majority of the Board.

ARTICLE IV

DUTIES AND POWERS OF ASSOCIATION

4.01 Power and Duties of Board of Directors

The Board, for the benefit of the Owners, shall provide, and shall pay from Association dues and assessments, the following:

A. The Taxes and assessment, and other liens and encumbrances, which shall properly be assessed or charged against the Development or the Common Areas rather than against the individual Owners and individual Garden Home Units;

B. Lawn maintenance, gardening care, and any other desired minor maintenance on repair for each Garden Home and the Common Areas, if any, and full maintenance of any utility services for the Common Areas, including the streets, and street lighting, if any, and all other improvements to the Development excepts those items specifically to be maintained by each Owner hereunder, and including furnishing and upkeep of any desired personal property for use in the Common Areas;

C. The owner of each unit shall pay for maintenance and repairs of heating, plumbing, and air conditioning systems which service only his/her Unit, and shall pay for any repairs resulting from his/her fault or neglect of that of any of his/her guests or any occupant of his/her Unit:

D. Maintenance and repair of any garden home of a type normally the sole responsibility of the Owner of the Garden Home if such maintenance of repair is reasonably necessary, in the discretion of the Board, to protect the interests of Owners generally and if the Owner of the Garden Home has failed of refused to perform such maintenance or repair; provided, however, that the Board shall levy a special assessment against the Garden Home Unit for payment of the cost of such maintenance and/or repair;

E. Legal and accounting services;

F. A Multi-peril insurance policy or policies insuring the Development (including Common Areas and Improvements) against loss or damage by the perils of fire, lightning, and those contained in the extended coverage, vandalism and malicious mischief endorsements, as required by Section 6.01 hereof;

G. A policy or policies of insurance to the extent necessary, insuring the Board, the Association, and the Owners against any liability to the public of to the Owners (and their invitees of tenants or third parties), incident to the ownership of use of the Development of amenities thereon;

H. Workmen's compensation insurance to the extent necessary to comply with any applicable laws;

I. Such fidelity bonds as may be required or necessary;

J. Any other materials, supplies, insurance, furniture, labor, services, maintenance, repairs, structural alterations, fixtures, taxes or assessments (including taxes of assessments against an individual Owner) which the board is required to obtain of pay for pursuant to the terms of this Declaration or by law or which, in it's opinion, shall be necessary or proper for the operation or protection of the Development or for the enforcement of this Declaration; provided that if any such materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, insurance, taxes, or assessments are determined by the Board to be for the special benefit of a particular Garden Home, the cost thereof shall be specially assessed to the Owner(s) of the Unit(s) to which such costs pertain.

4.02 Additional Rights, Powers and Duties of the Board

The Board shall have the following rights, powers and duties.

A. To execute all declarations of ownership for tax assessment purposed with regard to the Common Areas within the development;

B. To borrow funds to pay the costs of operations, secured by assignment or pledge of rights against delinquent Owners if the Board sees fit;

C. To enter into contracts, maintain one or more bank accounts (granting authority as the Board shall desire to one or more persons to sign checks), and generally to have all powers of a Garden Home Development Manager;

D. To protect and defend the Development from loss of damage by suit

or otherwise;

E. To make reasonable rules and regulations for the operation of the Development and to amend same from time to time, provided that any rule or regulation may be amended or repealed by an instrument in writing signed by the Owners of a majority of the units, with respect to a rule applicable to less than all of the development, by the Owners of a majority of the units in the portions affected without limiting the generality of the foregoing language, the rules and regulations must provide that any pet deemed a nuisance by the Board after a scheduled hearing, shall be removed from the premises;

F. To make available to each Owner upon request within sixty (60) days after the end of each year an annual report on the conduct and financial condition of the Association;

G. To adjust the amount, collect, and use any insurance proceeds to repair damage or replace lost property;

H. To enforce the provisions of the By-Laws, this Declaration and any rules made hereunder to enjoin and seek damages from any Owner for violation of such provisions or rules, including reasonable costs, expenses and attorney fees;

I. The Board or its agents, upon reasonable notice may enter any Garden Home, when necessary in connection with any maintenance or construction for which the Board is responsible. The Board or its agent(s) may likewise enter any backyard for maintenance or repairs. Such entry shall be made with as little inconvenience to the Owners as practicable, and any damage caused thereby shall be repaired by the Board at the expense of the maintenance fund;

J. The Board's powers hereinabove enumerated shall be limited in that the Board shall have no authority to acquire and pay for out of dues and assessments, any structural alterations, capital additions to, or capital improvements of the Common Areas (other than for the purposes of replacing or restoring portions of the Common Areas, subject to all the provisions of the Declaration) requiring an expenditure in excess of Ten Thousand and no/100 ($10,000.00) Dollars, exclusive of any insurance proceeds applied to such alterations, additions, improvements, or repair of damages, without in each case the prior approval of the Owners holding a majority of the total votes of the Association;

K. All agreements, contracts, deeds, leases, vouchers for payment of expenditures and other instruments shall be signed by such officer or officers, agent or agents of the Association and in such manner as from time to time shall be determined by written resolution by the Board, such documents shall be signed by the Treasurer and countersigned by the President of the Association;

4.03 <u>Board Powers, Exclusive</u>

The Board, on behalf of the Association, shall have the exclusive right to contract for all goods, services and insurance, payment for which is to be made from the dues and assessments and the exclusive right and obligation in performing the functions of the Board, except as otherwise provided herein.

4.04 Membership in the Association

Every Owner shall be a member of the Association, entitled to vote as herein provided but such membership and voting rights shall automatically terminate upon the sale, transfer or other disposition by such member of his/her Unit, at which time the new Owner shall automatically become a member of the Association. The Association may issue nontransferable certificates evidencing membership therein.

4.05 Limited Liability of the Board and the Owners

The members of the Board shall not be personally liable to the Owners or others for any mistake of judgment or for any acts or omissions made in good faith as such Board member, or acting as the Board. Each member of the Board shall be indemnified by the Association against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon him/her in connection with any proceeding to which he/she may be a party, or in which he/she may become involved by reason of his/her being a member of the Board, or any settlement thereof, whether or not he/she is a member of the Board at the time such expenses are incurred, except in such cases wherein the member of the Board is adjudged guilty of willful misfeasance or malfeasance in the performance of his/her duties; provided that, in the event of a settlement, the indemnification shall apply only when the Board approves such settlement and reimbursement as being in the best interest of the Association. Every agreement made by the Board, Developer or the Managing Agent, as the case may be, are acting only as agents for the Association and shall have nor personal liability there under.

4.06 Availability of Records

The Association shall make available to Owners, Eligible Holders and Mortgagee, during normal business hours or under other reasonable circumstances, current copies of this Declaration, the By-Laws and other rules governing the Development, and other books, records and financial statements of the Association. The Association shall make available to prospective purchasers of Units, current copies of this Declaration, any By-Laws in force, the most current financial statement, if such is available or can be prepared at a reasonable cost to the Association.

ARTICLE V

PROVISIONS WITH RESPECT TO THE GARDEN HOMES. THE COMMON AREAS AND MORTGAGES

5.01 Each Owner's Obligation To Repair

A. Except for those portions which the Association is required to maintain and repair hereunder (if any), each Owner shall at such Owner's expense keep the interior and exterior of his/her Garden Home and its equipment and appurtenances in good order, condition and repair in a clean and sanitary condition.

B. Each Owner shall also, at such Owner's own expense, keep the balcony and interior of the patio area (if any) and carport or other covered parking area (if any) in a clean and sanitary condition. The Association shall not be responsible to any Owner for loss or damage by theft or otherwise of articles which may be stored, by the Owner on his/her Unit, or any other property within the Development.

5.02 Alterations, Additions and Improvements

A. No Owner shall make any alterations, repairs or additions to his/her Garden Home which would affect the exterior appearance thereof, or erect a radio or television antenna upon the Building of which his/her Garden Home is part, or paint any part of the exterior of his/her Garden Home, without the prior written approval of the plans and specifications therefore and the color, by the Board. The Board shall grant its approval only in the event that the proposed work will benefit and enhance the Development in a manner generally consistent with the plans of development thereof. The Board's approval or disapproval shall be in writing. In the event that the Board fails to approve or disapprove within thirty (30 days after the appropriate plans and specifications have been submitted to it, or in any event, if no suit to enjoin such work has been commenced before thirty (30) days after commencement thereof, approval will be deemed given and compliance with the terms of the paragraph conclusively presumed.

B. The Board may delegate its powers under this section to an Architectural Committee appointed by the Board, which need not consist in part or in whole of Owners. The Architectural Committee along with the developer will control all building of units and all units will be built using approved plans from the developer, showing size, elevations, and floor plans.

C. Nothing shall be done in or to any part of the Development, which will impair the structural integrity of any part of the Development except in connection with alterations or repairs specifically permitted or required hereunder.

D. Notwithstanding anything to the contrary herein contained, each Owner shall have the right to paint, wallpaper, or otherwise furnish the interior surfaces of his/her Garden Home as he/she sees fit.

5.03 Restrictions on Use of Garden Homes and Common Areas

Development shall be occupied and used as follows:

A. Each Garden Home shall be used exclusively for residential purposes, and carports and parking spaces shall be used exclusively for parking if passenger automobiles.

B. There shall be no obstruction of the Common Area, nor shall anything be kept or stored in the Common Areas, nor shall anything be altered, or constructed or planted in, or removed from the Common Area, without the expressed, written consent of the Board.

C. No Owners shall permit anything to be done or kept in his/her Garden Home or within the Development, which will result in any increase of fire insurance premiums or the cancellation of insurance or any part of the Development, or which would be in violation of any law. No waste shall be committed within the Development. No used or burned motor oil is to be poured into ditches, sewers or common areas. No burning of trash or debris shall be allowed on the premises except during development or with express permission of the Board.

D. No sign of any kind shall be displayed, to the public view on or from any part of the Development without the prior consent of the Board, except signs temporarily used in the sale or leasing of a Garden Home.

E. No noxious or offensive activity shall be carried on, nor shall any outside lighting or loudspeakers or other sound-producing devices be used, nor shall anything be done, in any part of the Development, which, in the judgment of the Board, may be or become an unreasonable annoyance or nuisance to the other Owners.

F. No Owner shall cause or permit anything to be placed on the outside walls of his/her Garden Home, and no sign, awning, canopy, window air conditioning unit, shutter, or other fixture shall be affixed to or place upon the exterior wall or roof of any building or any part thereof, without the prior consent of the Board. All exterior colors will be subject to the prior approval of the Board, and/or Architectural Control Committee for approval.

G. No clothes, sheets, blankets, laundry or any kind of other articles shall be hung out or exposed on any part of the Development. The Common Areas, Garden Homes or Unit shall be kept clear of rubbish, debris and other unsightly materials.

H. No animals or reptiles of any kind shall be raised, bred, or kept in any unit or in the Common Areas, except that dogs or cats or other household pets, not to exceed two (2) per unit without the approval of the Board of Directors, may be kept in the units, subject to the rules and regulations adopted by the Board of Directors provided they are not kept, bred or maintained for any commercial purposes, and provided further that such pet causing or creating a nuisance or unreasonable disturbance or noise shall permanently be removed from the Garden Home property upon three (3) days written notice from the Board of Directors. In no event shall any dog be permitted in any portion of the Common Areas unless on a leash. Animal droppings must be picked up immediately by the owner of the pet.

I. The Common Areas shall be kept free and clean of rubbish, debris, and unsightly materials. No industry, trade, business occupation or profession of any kind commercial, religious, educational, or otherwise designated for profit, altruism or otherwise shall be conducted, maintained or permitted on any part of the Garden Home property except with the consent of all the unit Owners and the board of Directors of the Association nor shall any unit be used or rented for transient, hotel or motel purposes.

J. Any consent or approval given under these Rules and Regulations may be added to, amended or repealed at any time by resolution of the Board of Directors.

K. Any unit Owner wishing to plant flowers, trees and shrubs within the Common Areas must obtain written permission from the Board of Directors before doing so.

L. Complaints regarding the management of the common elements or regarding actions of other unit owners shall be made in writing to the Board of Directors.

M. No commercial type vehicle, no boats, no trucks and no recreational vehicles shall be stored or parked upon the property, nor shall they be parked on any street except while engaged in transport to or from a building. Such pick up trucks used solely for transportation which contains no commercial marking for commercial use are excluded, a recreational vehicle, for purpose of these declarations, shall include motor homes, motor coaches, busses, pick up trucks with camper tops or similar accessories, camping trailers or trailers of any type. Unused vehicles shall not be parked on any street or grassy area. "Unused vehicles" shall be defined as any vehicle which has not been driven under its own propulsion for a period of one (1) week or longer, a written note describing the unused vehicle and requesting removal thereof may be served upon the owner and if such vehicle has not been removed within 72 hours thereafter, the Board of Directors shall have the tight to remove the same without liability to it and the expense thereof shall be charged against the owner.

N. Patio furniture, plants and outdoor grills may be place on patios, decks and screened porches provided that same are maintained in an attractive manner. The use of patios for storage of any type bicycles or the hanging of laundry or other unsightly use is prohibited. Only one flag may be flown from any one unit at any time.

O. Garbage cans must be stored in garages except for the evening prior to pick up days.

P. No children under (12) years of age will be allowed in the Common Area or ponds without the supervision of an adult.

ARTICLE VI

INSURANCE

6.01 Flood Insurance

The association will not provide flood insurance for property owners within the Development, However, since the Development is located in an area having special flood hazards as defined by the U.S. Army Corp of Engineers and for which flood insurance has been made available under the National Flood Insurance Program, individual Owners may at their discretion, obtain flood insurance at their own expense.

6.02 Governing Provisions

The following provisions shall govern all insurance provided by the Association:

A. All policies shall comply with the requirements of the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association as they apply to Garden Homes, and shall be written by a company licensed to do business in the State of Louisiana and which holds a rating of Class VI or better by Best's Key Rating Guide or other comparable rating system.

B. Exclusive authority to adjust all claims under policies in force on the Development shall be vested in the Board of Directors or its authorized representatives.

C. In no event shall the insurance coverage obtained and maintained by the Board be brought into contribution with and insurance purchased by an individual Owner or their mortgagee.

D. Individual Owners, may obtain additional or supplemental insurance at their own expense provide such insurance in no way decreases the amount which the Board in behalf of all Owners may realize as a settlement of a claim under policies maintained by the Board.

E. The Board shall be required to secure insurance policies that will provide: (1) a waiver of subrogation by the insured as to any claims against the Association, the Board or the Owners, (2) that the policy cannot be canceled, invalidated or suspended on account of the conduct of any officer or agent of the Board, or on account of the conduct of anyone or more Owners without a prior written demand that the Board or the members of the Association cure the defect, (3) that any "no other insurance" clause in the master policy excludes individual owners policies paid for by their own funds from consideration.

6.03 Premiums

The cost of insurance policies purchased by the Board shall be paid by the Board as a normal operating expense, except in cases where there is an increase in premiums occasioned by the use, misuse, occupancy, or abandonment of a Garden Home or its appurtenances. Such increase in premiums shall be assessed against the Owner or by a lien places on the property.

6.04 Distribution of Proceeds from Claims

The Board shall disperse funds from the proceeds of insurance claims in the following manner:

A. To the Mortgagee as provided by the mortgages.

B. Funds shall be expended to repair or reconstruct the damaged unit or units, with the concurrence of the mortgagee.

C. Remaining proceeds after defraying cost shall be (1) distributed to the Mortgagee(s) then, (2) to the beneficial Owners.

D. If it is determined as elsewhere provided that the damage, for which the proceeds are received, shall not be repaired or reconstructed, the first disbursement shall be made to the Mortgagee and any balance distributed to the beneficial Owner(s).

ARTICLE VII

MISCELLANEOUS

7.01 Amendment

The provisions of this Declaration may be amended by an instrument in writing signed and acknowledged (i) by the Developer as long as the Developer still has to Class "B" vote on the board and (ii) by the record Owners of a majority of the units in the development on a proportionate vote basis, which shall be effective upon recordation in the office of the Clerk of St. Tammany Parish, Louisiana. In addition,

ASSIGNMENT OF RIGHTS

STATE OF LOUISIANA

PARISH OF JEFFERSON

BE IT KNOWN, that on this 21st day of July, 2004;

BEFORE ME, the undersigned Notary Public, duly commissioned and qualified in and for the Parish and State aforesaid, and in the presence of the undersigned competent witnesses:

PERSONALLY CAME AND APPEARED:

R.T.M., L.L.C.

a Louisiana Limited Liability Company appearing herein through its Managing Member, ROELING G. MACE, JR., who being by me first duly sworn, deposed and stated that appearer has heretofore been listed as the Developer of a 56 Unit PUD Development located in St. Tammany Parish, Louisiana, known as the MADISON VILLAS GARDEN HOME COMMUNITY, and for valuable consideration, the receipt of which is hereby acknowledged, assigns, transfers, setover and delivers unto MADISON VILLAS, L.L.C., any and all rights heretofore held by appearer as Developer of said PUD, including but not limited to any rights as Developer as set forth in the Declaration of Covenants, Conditions, and Restrictions for MADISON VILLAS GARDEN HOME COMMUNITY, including, but not limited to all plans, drawings, and specifications related to or referred to therein, together with any and all pending applications and/or deposits with the Parish of St. Tammany and any other governmental agency.

THUS DONE AND PASSED, on the day, month and year first herein written, in the presence of the undersigned competent witnesses, who signed hereunto with said appearers and me, Notary, after due reading of the whole.

WTINESSES:

RTM, L.L.C.

BY: _____
Roeling G. Mace, Jr.,
Managing Member

_____
NOTARY PUBLIC

C. RICHARD GERAGE

I hereby certify that the above and foregoing is a true and correct copy of the original.

Attorney & Notary Public #6023
C. Richard Gerage

Developer shall have the right to amend this Declaration without the consent of other Owners as required by any institutional lender as a condition of making a loan secured by an interest in a Unit or as required by an eligible Holder.

THUS DONE AND PASSED in multiple originals in my office in Metairie, Louisiana, on the day, month, and year set forth above in the presence of the undersigned competent witnesses and me, Notary, after due reading of the whole.

WITNESSES:

MADISON VILLAS, L.L.C.

ROBERT O. LONG, III
MANAGING MEMBER

JEFFREY M. LONG
MANAGING MEMBER

C. RICHARD GERAGE
Louisiana State Bar Association No. 6023
NOTARY PUBLIC

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