

DR# 473068  
Inst. # 874409  
ST. TAMMANY PARISH  
STATE OF LOUISIANA  
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RESTRICTIVE CONVENANTS

STATE OF LOUISIANA  
PARISH OF ST. TAMMANY

BE IT KNOWN, that on this 18th day of October, 1983;  
BEFORE ME, RONALD G. HAND a Notary Public, duly  
commissioned and qualified in and for the State of Louisiana,  
Parish of St. Tammany therein residing, personally came and appeared:

LEE ROAD DEVELOPMENT COMPANY (hereinafter referred to as  
"Developer"), a corporation organized under the laws of  
the State of Louisiana, having its principal office in  
the Parish of Jefferson, appearing herein through its  
vice-president, C. T. Carden, duly authorized by a  
resolution of the Board of Directors of said corporation,  
a certified copy whereof is hereto annexed, the permanent  
mailing address of said corporation being Suite 701, 3421  
N. Causeway Boulevard, Metairie, Louisiana 70003;

who declared unto me, Notary, under oath, that Developer is the  
owner of that certain parcel of land, more particularly described  
as follows, to-wit:

A TRACT OF LAND LOCATED WITHIN SECTIONS 3, 4, 5, 9 and 10  
TSS-R11E, ST. TAMMANY PARISH, LOUISIANA commencing at the  
quarter section corner common to sections 4 & 9 TSS-R11E,  
St. Tammany Parish, Louisiana. Being the point of  
beginning, from the point of beginning run East,  
346.08'; S63 degrees 29'E, 230.42'; thence with a curve to  
the right having a radius of 50', and an arc of 59.48';  
N63 degrees 29'W, 303.79'; N32 degrees 15'E, 181.11'; N61  
degrees 47'E, 203.20'; S56 degrees 20'E, 57.98'; N58  
degrees 39'E, 155.77'; N75 degrees 30' E, 128.15'; N42  
degrees 57'E, 272.39'; N12 degrees 38'E, 121.20'; N19  
degrees 49'E, 352.95'; N30 degrees 19'E, 221.19'; N72  
degrees 57'E, 88.29'; N60 degrees 05'E, 124.16'; N39  
degrees 57'E, 112.48'; N00 degrees 49'E, 107.05'; S77  
degrees 52'E, 86.20'; S60 degrees 00'E, 164.47'; S22  
degrees 47'E, 53.52'; N69 degrees 17'E, 124.32'; N08  
degrees 53'E, 179.44'; N24 degrees 26'E, 101.0'; N31  
degrees 02'E, 206.05'; S88 degrees 36'E, 147.51'; N32  
degrees 10'E, 228.98'; N33 degrees 55'E, 209.09'; N48  
degrees 42'E, 123.07'; S07 degrees 39'E, 239.96'; S38  
degrees 28'E, 330.14'; thence with a curve to the right  
having a radius of 200.0', and an arc of 85.67'; N34  
degrees 20'W, 216.0'; N10 degrees 31'W, 118.6'; N89  
degrees 37'E, 66.83'; S50 degrees 17'E, 98.85'; S53  
degrees 51'E, 185.0'; S72 degrees 56'E, 106.28'; N42  
degrees 26'E, 150.85'; N81 degrees 43'E, 97.50'; S52  
degrees 55'E, 101.77'; S73 degrees 07'E, 96.78'; N75  
degrees 12'E, 102.12'; S51 degrees 03'E, 66.40'; S15  
degrees 15'E, 198.76'; S07 degrees 14'W, 87.62'; S05  
degrees 47'E, 106.66'; N60 degrees 20'E, 83.18'; N29  
degrees 44'E, 100.21'; N18 degrees 48'E, 95.28'; N 01  
degrees 44'W, 81.32'; N15 degrees 57'E, 115.78'; S74  
degrees 13'E, 96.91'; N 68 degrees 34'E, 184.32'; S74

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degrees 26'E, 98.49'; S20 degrees 36'E, 293.15'; N14 degrees 29'W, 105.93'; N49 degrees 07'E, 98.45'; N09 degrees 30'E, 147.57'; N36 degrees 07'E, 43.70'; N80 degrees 56'E, 83.28'; N85 degrees 07'E, 184.59'; N85 degrees 31'E, 123.86'; N59 degrees 14'E, 87.86'; S73 degrees 24'E, 106.71'; S81 degrees 16'E, 99.82'; N83 degrees 45'E, 200.81'; N80 degrees 49'E, 118.32'; S85 degrees 43'E, 83.22'; S74 degrees 55'E, 208.26'; N84 degrees 48'E, 200.51'; N83 degrees 57'E, 265.86'; N35 degrees 10'E, 110.51'; N75 degrees 08'E, 96.83'; S37 degrees 09'E, 589.28'; N52 degrees 51'E, 60.0'; N37 degrees 09'W, 415.43'; N18 degrees 07'W, 163.3'; N44 degrees 13'E, 194.21'; N24 degrees 25'E, 99.42'; N36 degrees 27'E, 199.99'; N54 degrees 13'E, 76.23'; N41 degrees 52'E, 203.04'; N29 degrees 48'E, 200.14'; N43 degrees 07'E, 114.46'; N27 degrees 00'E, 205.55'; N47 degrees 31'E, 134.48'; N35 degrees 32'E, 201.34'; N55 degrees 41'E, 227.90'; S72 degrees 15'E, 93.53'; S65 degrees 32'E, 102.03'; S60 degrees 01'E, 124.55'; S00 degrees 56'E, 1183.59'; S47 degrees 56'W, 2163.8'; S01 degrees 06'E, 1008.26'; S74 degrees 48'W, 1919.91 S01 degrees 13'E, 150.03'; S89 degrees 36'W, 1750.98'; S89 degrees 44'W, 2767.16'; N01 degrees 18'W 680.67 back to the point of beginning.

Being the same property acquired by act of partition among Edna Mae Assel et al. by act before Gordon Konrad, Notary Public, dated November 1, 1982 and registered in the records of the Parish of St. Tammany in COB 1077, folio 184;

hereinafter referred to as "Property".

1. Developer declared that the Property has been divided into lots as reflected in the survey of Land Surveying, dated July 23, 1983, and revised October 14, 1983, and registered in the records of the Parish of St. Tammany in Map File Number 801B on November 14, 1983, hereinafter referred to as "Survey" which subdivision of lots is hereinafter designated and named "Highlands".

2. Certain lots in Highlands front on three lakes presently under construction adjoining the Property. These lots fronting on the lakes are lots numbered 1 through 47 and are more fully shown on the survey attached hereto as Exhibit A.

3. Owners of the lots in Highlands will not own any rights in or to the lakes and dams creating said lakes except such rights as are expressly granted to lot owners in the deed of conveyance from Developer to each purchaser, or as may be created in this document. However, certain of the covenants for which provision is made herein relate to the use of the lakes and dams by all

lot owners

and to the use of the lots fronting on the lakes.

4. Developer desires to provide for the preservation of the values and amenities in Highlands and for the maintenance of certain roadways, open spaces, lakes, dams, and other community facilities to be developed as part of said community; and to this end, desires to subject the Property to the servitudes, privileges and restrictions, hereinafter set forth, each and all of which is and are for the benefit of the Property and the owners thereof, their successors and assigns.

5. Developer has deemed it desirable, for the efficient preservation of the values and amenities in said community, to create an association to which will be delegated and assigned the powers and duties of maintaining and administering the roadways, open spaces, lakes, dams, and other community facilities, administering and enforcing the provisions hereof and disbursing the charges and assessments hereinafter created.

6. Developer has caused to be incorporated that certain corporation named Highlands Homeowners' Association, Inc., a non-profit corporation without capital stock organized under the laws of the State of Louisiana, for the purposes of carrying out the powers and duties herein provided.

7. Developer declares that the Property is and shall be held, conveyed, hypothecated, or encumbered, sold, leased, rented, used, occupied, and improved subject to the provisions hereof, herein set forth, all of which are declared and agreed to be in aid of a plan for improvement of the Property and its surroundings, and shall be deemed to run with and bind the land, and shall inure to the benefit of and be enforceable by the Developer, its successors and assigns, and any person acquiring or owning an interest in any portion of the Property and improvements located thereon.

#### ARTICLE I

Section 1. Definitions. The following words, when used in this Act shall have the following meanings:

- (a) "Act" shall mean this instrument.
- (b) "Assessment" or "Assessments" shall mean sums assessed by the Association.
- (c) "Association" shall mean and refer to Highlands Homeowners' Association, Inc. and its successors and assigns.
- (d) "Board" shall mean the Board of Directors of the Association.
- (e) "Committee" shall mean the Environmental and Architectural Control Committee described in Article VII.
- (f) "Common Areas" shall mean and refer to all immovable property now or hereafter acquired or otherwise available for use by the Association for the benefit, use, and enjoyment of its members. The only Common Areas as of the date of this Act are the water distribution and collection lines and the roads and streets and entrance neutral ground constituting a portion of the Property.
- (g) "Community Facilities" shall mean the Common Areas and the Lakes.
- (h) "Dams" shall mean and refer to the dams constructed to form the Lakes.
- (i) "Developer" shall mean and refer to Lee Road Development Company.
- (j) "Drainage Swale Deposit" shall mean and refer to the deposit for the maintenance of drainage channels on each Lot.
- (k) "Dwelling" shall mean and refer to any completed building or portion of a completed building situated upon the Property and designed and intended for use and occupancy as a residence by a single family.
- (l) "Governmental Authority" shall mean any public, state, parish, or municipal agency, authority or utility.
- (m) "Highlands" shall mean and refer to the Highlands Subdivision.
- (n) "Lakes" shall mean and refer to the lakes presently under construction adjacent to the Property and shown on Exhibit "A".
- (o) "Lot" or "Lots" shall mean and refer to all subdivided property which forms a portion of the Property.
- (p) "Management Agent" shall mean the person, firm, or corporation chosen by the Association to manage its affairs.
- (q) "Member" or "Members" shall mean and refer to every person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof who is a member of the Association.

(r) "Owner" or "Owners" shall mean and refer to the record owner or owners, whether one or more persons or entities, of the fee simple title to any lot situated on the Property.

(s) "Plans" shall mean plans and specifications.

(t) "Property" shall mean and refer to all or any portion of the immovable property hereinabove described which may also be hereinafter referred to as Highlands.

(u) "Review Fee" shall mean and refer to the fee charged by the Committee to review plans.

(v) "Rules and Regulations" shall mean and refer to the regulations promulgated and published from time to time by the Committee or the Association regarding the form and content of Plans for construction of improvements on Lots.

#### ARTICLE II

Section 1. Property Subject to this Act. The real property which is, and shall be held, conveyed, hypothecated or encumbered, sold, leased, rented, used, occupied, and improved subject to this Act is the Property.

#### ARTICLE III

Section 1. Membership. Every Owner, including the Developer, shall be a Member. The Owner of each Lot shall be entitled to one vote and only one vote shall be permitted for each Lot. It shall be the responsibility of the Owner, where the Owner consists of more than one person or entity to timely agree upon how its vote shall be cast. Failure to timely agree shall constitute an irrevocable proxy for the Board to exercise the vote of such Owner upon the issue at hand. At such time as any Owner discontinues ownership of any Lot, he or it shall cease to be a Member and shall surrender his or its certificate of membership to the Association upon passage of title to the Lot.

#### ARTICLE IV

Section 1. Members' Right of Enjoyment. Every Member shall have a right of use and enjoyment in and to the Community Facilities, and such right to use and enjoyment shall be appurtenant to and shall pass with the title to every Lot subject to the following:

(a) the right of the Association, in accordance with its Articles of Incorporation and By-Laws, to borrow money for the purpose of improving the Community Facilities in a manner designed to promote the enjoyment and welfare of the Members and in aid thereof to mortgage the Common Areas; and

(b) the right of the Association, with the consent of fifty-one percent (51%) of the then membership voting at a meeting of the Association called for that purpose, to levy reasonable admission and other fees for the use of any Community Facilities by the Members and their guests; and

(c) the right of the Association to take such steps as are reasonable and necessary to protect the Common Areas against mortgage default and/or foreclosures, provided, always, however, that such steps are in conformity with the other provisions of this Act; and

(d) the right of the Association to limit the number of guests of Members to the use of any Community Facilities which are developed; and

(e) the right of the Association to suspend the voting rights and the rights to use of the Community Facilities, except for rights to the use of streets, roadways and parking areas, (which shall not be subject to suspension for any reason) for any period during which any Assessment remains unpaid and for any period not to exceed thirty (30) days for any infraction of any of the published rules and regulations of the Association; and

(f) the right of the Association to dedicate or transfer all or any part of the Common Areas to any Governmental Authority for purposes consistent with the purposes of this Act and subject to such conditions as may be agreed to by the Members, provided, however, that no such dedication or transfer or determination as to the purposes or as to the conditions thereof, shall be effective unless an instrument signed by fifty-one percent (51%) of the then Members of the Association has been recorded agreeing to such dedication, transfer, purpose, or conditions, and unless written notice of the proposed agreement and action thereunder is sent to each Member at least ninety (90) days prior to the taking of any action; and

(g) the right of the Association, acting by and through its Board, to grant rights-of-way and/or servitudes for any public utility purpose of any Governmental Authority or to the Developer for the purpose of the installation and/or maintenance of such utilities as may be necessary to serve any of the Community Facilities or to serve any other portion of the Community hereinaabove identified; provided, however, that no such servitudes and/or rights-of-way shall be permanently inconsistent with the enjoyment of the Community Facilities by the Members.

Section 2. Board's Option to Purchase. The Association shall have an option to purchase any Lot offered for sale by a Member (hereafter "Option"). Option shall be exercised in the following manner: the selling Member shall submit an executed copy of his agreement to purchase (hereafter "Purchase Agreement") to the Board setting out the terms, conditions and price of the proposed sale. If the Board determines to purchase the Lot it shall notify the selling Member in writing within ten (10) days of its receipt of the Purchase Agreement, and thereafter within a reasonable time execute an act of sale on the terms and conditions contained in the Purchase Agreement. If the Board determines not to purchase the Lot, it shall notify the selling Member in writing within ten (10) days of its receipt of the Purchase Agreement of its intention not to exercise its Option. Inaction by the Board for a period of ten (10) days after receipt of the Purchase Agreement shall be deemed a waiver by the Board of its Option.

#### ARTICLE V

Section 1. Annual Assessments and Carrying Charges. Each Owner, whether or not he shall be so expressed in the act of sale, contract to sell or other conveyance, shall be deemed to convenant and agree to pay the Association, in advance, and monthly, an Assessment equal to one-twelfth (1/12) of the Member's proportionate share of the sum required by the Association, as estimated by its Board, to meet annual expenses, including, but in no way limited to the following:

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(a) the cost of all operating expenses of the Community Facilities and services furnished, including charges by the Association for facilities and services furnished by it; and

(b) the cost of necessary management and administration, including fees paid to any Management Agent; and

(c) the amount of all taxes and assessments levied against the Association or upon any Community Facilities for which the Association is otherwise required to pay, if any; and

(d) the cost of fire and extended liability insurance on the Community Facilities and the cost of such other insurance as the Association may effect; and

(e) the cost of security guard service, mosquito spraying, garbage and trash collection and/or other utilities and services which may be provided by the Association; and

(f) the cost of maintaining, replacing, repairing and landscaping the Community Facilities (including, without limitation, the cost of maintaining, repairing, and replacing The Lakes, the streets, roadways and open areas) and such equipment as the Board shall determine to be necessary and proper; and

(g) the cost of funding all reserves established by the Association, including, when appropriate, a general operating reserve and/or a reserve for replacements.

The Board shall determine the amount of the Assessment annually, but may do so at more frequent intervals should circumstances so require. Upon resolution of the Board, installments of annual Assessments may be levied and collected on a quarterly, semi-annual or annual basis rather than on the monthly basis for which provision is made hereinabove. Any Member may prepay one or more installments of any annual Assessment levied by the Association without premium or penalty.

The Board shall make reasonable efforts to fix the amount of the Assessment against each Lot for each Assessment period at least thirty (30) days in advance of such date or period and shall, at that time, prepare a roster of the Lots and Assessments applicable thereto which shall be kept in the office of the Association, and shall be open to inspection by any Owner upon reasonable notice to the Board. Written notice of the Assessment shall thereupon be sent to the Members. The omission of the Board, before the expiration of any Assessment period, to fix Assessments hereunder for that or the next period, shall not be deemed a waiver or modification in any respect of the provisions of this article, or a release of any Member from the obligation to pay the Assessment, or any installment thereof, for that or any subsequent Assessment period, but the Assessment fixed for the preceding period shall continue until a new Assessment is fixed. No Member may exempt himself from liability for Assessments by a waiver of the use or enjoyment of any of the Community Facilities or abandonment of any Lot belonging to him.

Section 2. Special Assessments. In addition to the annual Assessments authorized by this article, the Association may levy in any Assessment year a special Assessment or Assessments, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, inordinate repair, or replacement of described capital improvement located upon the common areas or Community Facilities, including the necessary fixtures and personal property related thereto, or for

such other purposes as the Board may consider appropriate, provided that any such Assessment shall have the assent of a majority of the Members who are present at a special meeting called for the purpose of considering the special Assessment. A meeting of the Members shall be duly called for this purpose, written notice of which shall be sent to all Members at least ten (10) days, but not more than thirty (30) days in advance of such meeting, which notice shall set forth the purpose of the meeting. Fifty-one percent (51%) of the Members shall constitute a quorum for the meeting.

Section 3. Reserve for Replacements. The Association may establish and maintain a reserve fund, for repairs and replacements, by the allocation and payment monthly to such reserve fund of an amount to be designated from time to time by the Board. Such fund shall be conclusively deemed to be a common expense of the Association and shall be deposited with a bank or other financial institution, the accounts of which are insured by an agency of the United States of America or may, in the discretion of the Board, be invested in obligations of, or fully guaranteed as to principal by, the United States of America. The reserve for replacements may be expended only for the purpose of effecting the replacement of the Community Facilities, major repairs to any streets or roadways developed as a part of Highlands, equipment replacement, and for operating contingencies of a nonrecurring nature. The proportionate interest of any Member in any reserve for replacements shall be considered an appurtenance of his Lot and shall not be separately withdrawn, assigned, or transferred or otherwise separated from the Lot to which it appertains and shall be deemed to be transferred with such Lot.

Section 4. Non-Payment of Assessment. Any Assessment, or installment thereof, levied pursuant to this Act, which is not paid on the date when due shall be delinquent. The personal obligation of the Member to pay the Assessment shall remain his personal obligation and a suit to recover a money judgment for non-payment of any Assessment, or installment thereof, levied pursuant to this Act which is not paid within ten days after it is due shall bear interest at a rate not to exceed the higher of twelve percent (12%) per annum or the highest lawful rate under the laws of the State of Louisiana. The Association may bring an action at law against the Member personally obligated to pay the same, in which event such interest, penalty, late charges, charges and reasonable attorney fees of not less than twenty percent (20%) of the sum found to be due shall be added to the amount of the Assessment.

The Board may post a list of Members who are delinquent in the payment of any Assessment or other fees which may be due the Association, including any installment thereof which becomes delinquent, in any prominent location within the community or on the Property.

As a condition to the sale or transfer of title to any Lot in Highlands, each Owner shall obtain an Assessment Certificate from the Association (as provided for in Section 5 following) which shall declare that all annual and special Assessments have been paid in full. No request for approval for construction or improvements on a given Lot shall be acted upon, until such time as all Assessments, special Assessments, or installments thereof pertaining to such Lot, have been paid in full.

Section 5. Assessment Certificates. The Association shall upon demand at any reasonable time furnish to any Member liable for any Assessment levied pursuant to this Act a certificate in writing signed by an officer of the Association, setting forth whether the Assessment is paid or unpaid. Such certificate shall be conclusive

evidence of payment of any Assessment therein stated to have been paid. A charge not to exceed Thirty (\$30.00) Dollars may be levied in advance by the Association for each certificate so requested.

Section 6. Acceleration of Installments. Upon default in the payment of any one or more monthly installments of any Assessment levied pursuant to this Act, the entire balance of said Assessment may be accelerated at the option of the Board and be declared due and payable in full.

Section 7. Annual Membership Assessment. The initial annual Assessment for each of the Lots is set at Ten (\$10.00) Dollars per month for non-residents of Highlands and Twenty (\$20.00) Dollars per month for Highland residents. The monthly rate for non-resident Lot Owners will commence upon taking title to the property or completion of drainage and streets adjacent to said Lot, whichever occurs last. Monthly rates for residents commences upon completion and occupancy of a single family dwelling.

Anything in this Act to the contrary notwithstanding, no Lot owned by the Developer shall be subject to the annual Assessments until two (2) years from the date of this Act.

Section 8. Increase in Assessments.

(a) The annual Assessment for all memberships for which provision is made hereinabove may be increased by the Board, without a vote of the membership, by an amount equal to ten percent (10%) of the maximum annual Assessment for the preceding year.

(b) The annual Assessment for all memberships for which provision is made hereinabove may be increased above that established by the preceding paragraph by the assent of fifty-one (51%) percent of the membership of the Association present at a meeting called for this purpose. A meeting of the Members shall be duly called for this purpose, written notice of which shall be sent to all Members at least ten (10) days in advance of such meeting, which notice shall set forth the purpose of such meeting. Fifty-one (51%) percent of the Association membership will constitute a quorum for such meeting.

Section 9. Commencement of Annual Assessments. The annual Assessment for each membership shall commence on the date of execution of the act of sale for the Lot to which such membership is appurtenant. The first monthly installment of such annual Assessment shall be made for the month during which such act of sale is executed and shall become due and payable on that date. Except as hereinafter provided, the monthly installment of the annual Assessment for any Lot for any month after the first month shall become due and payable on the first day of each successive month.

ARTICLE VI

Section 1. Servitudes for Utilities and Related Purposes. The Association is authorized and empowered to grant (and shall from time to time grant) such licenses, servitudes and/or rights-of-way for sewer lines, storm drains, underground conduits and/or such other purposes related to the provision of public utilities as may be considered necessary and appropriate by the Board for the orderly maintenance, preservation, and enjoyment of the Community facilities or for the preservation of the health, safety, convenience and/or welfare of the Owners of the Lots.

Any and all streets, walkways, roadways, sidewalks, and other Common Areas which are owned by the Association shall be subject to non-exclusive servitudes of ingress and egress for the benefit of all Members and the Developer, their respective children, personal representatives, and assigns and all other persons or other parties claiming under any of them.

ARTICLE VII

Section 1. Environmental and Architectural Control Committee. Except for original construction and/or development within the community of the Highlands by the Developer, and except for any improvements to any Lot or to the Community Facilities accomplished by the Developer concurrently with said construction and/or development, and except for purposes of proper maintenance and repair, no building, fence, wall or other improvements or structures shall be commenced, directed, placed, moved, altered or maintained upon the Property, nor shall any exterior addition to or change (including any change of color) or other alteration thereupon be made until the complete Plans, showing the location, nature, shape, height, material, color, type of construction, and/or any other proposed form of change (including, without limitation, any other information specified by the Board or by the Committee) shall have been submitted to and approved in writing as to safety, harmony of external design, color, and location in relation to surrounding structures and topography and conformity with the design concept for the Property and Community Facilities by the Board or by the Committee.

Subject to the same limitations for which provision is made hereinabove, no Member or Owner shall install, build, alter or plant any lighting, shades, screens, awnings, patio covers, decorations, fences, hedges, landscaping features, walls, aerials, slabs, sidewalks, curbs, gutters, patios, balconies, porches, driveways, walls or make any change or otherwise alter (including any alteration in color) in any manner whatsoever, the exterior of any improvements constructed upon any Lot or upon any of the Community Facilities within the community or to combine or otherwise join two or more dwellings, or to partition the same after combination, or to remove or alter any windows or exterior doors of any dwelling, or to make any change or alteration within any dwelling which will alter the structural integrity of the building or otherwise affect the Property, interest or welfare of any other Owner, materially increase the cost of operating or insuring any Community Facilities, or impair any servitude, until the complete Plans, showing the location, nature, shape, height, material, color, type of construction and/or any other proposed form of change (including without limitation any other information submitted to and approved in writing as to safety, harmony of external design, color and location in relation to surrounding structures and topography and conformity with the design concept for the Highlands by the Board or by any committee designated by it.

Section 2. Environmental and Architectural Control Committee - Operation. The Committee shall be composed of three (3) or more natural persons designated from time to time by the Board and such persons shall serve at the pleasure of the Board. In the event the Board fails to appoint a Committee, then the Board shall constitute the Committee. The affirmative vote of a majority of the members of the Committee shall be required in order to adopt or promulgate any rule or regulation, or to make any finding, determination, ruling or order or to issue any permit, consent, authorization, approval or the like pursuant to the authority contained in this article.

Section 3. Approvals, etc. Upon approval by the Committee of any Plans submitted pursuant to the provisions of this article, a copy of such Plans, as approved, shall be deposited among the permanent records of the Committee and a copy of such Plans bearing such approval, in writing, shall be returned to the applicant submitting the same. In the event the Committee fails to approve or disapprove any Plans which may be submitted to it pursuant to the provisions of this article within thirty (30) days after such Plans (and all other materials and information required by the Committee) have been submitted to it in writing, then approval will be considered to have been given by the Committee and this article will be deemed to have been the subject of full compliance.

Section 4. Limitations. Construction or alterations in accordance with Plans approved by the Committee pursuant to the provisions of this article shall be commenced within six (6) months following the date upon which the same are approved by the Committee (whether by affirmative action or by forbearance from action, as in Section 3 of this Article), and shall be substantially completed within twelve (12) months following the date of commencement, or within such longer period as the Committee shall specify in its approval. In the event construction is not commenced within the period aforesaid, then approval of the Plans by the Committee shall be conclusively deemed to have lapsed and compliance with the provisions of this article shall again be required. There shall be no deviations from Plans approved by the Committee. Approval of any particular Plans or design shall not be construed as a waiver of the right of the Committee to disapprove such Plans, or any elements or features thereof, in the event such Plans are subsequently submitted for use in any other instance.

Section 5. Certificate of Compliance. Upon the completion of any construction of alterations or other improvements or structure in accordance with Plans approved by the Committee, the Committee shall, at the request of the Owner thereof, issue a certificate of compliance which shall be prima facie evidence that such construction, alteration or other improvements referenced in such certificate have been approved by the Committee and constructed or installed in full compliance with the provisions and requirements of this Act.

Section 6. Rules and Regulations, etc. The Committee or the Association may from time to time adopt and promulgate such Rules and Regulations regarding the form and content of Plans to be submitted for approval and may publish and/or establish such criteria relative to architectural styles or details, lot coverage, building set-backs, minimum square footage of the finished area of improvements, materials, or other matters, as it may consider necessary or appropriate. No such Rules and Regulations shall be construed as a waiver of any provision or requirement of this Act. The Committee may charge and collect a reasonable fee for the examination of any Plans for approval pursuant to the provisions of this article. The decisions of the Committee shall be final except that any Member who is aggrieved by any action or forbearance from action by the Committee (or by any policy, standards or guidelines established by the Committee) may appeal the decision of the Committee to the Board and, upon the request of such Member, shall be entitled to a hearing before the Board. The amendment or revision of the initial Rules and Regulations set forth below at any time hereafter shall not be considered an amendment of this Act but rather an exercise of the power and authority granted to the Committee or the Board hereunder and shall not require the approval of Members which would be required if this Act were amended or modified.

The initial Rules and Regulations shall consist of the following:

(a) All Plans for construction of single residences, additions, and alterations, including any accessory buildings and fences, shall be submitted to the Committee thirty (30) days prior to the desired construction starting date for approval as to harmony of exterior design, color and location in relation to surrounding structures and topography. Particular attention will be given to elevations to insure that the outside appearance of the construction is compatible with surrounding structures and topography.

(b) The following Plans shall be submitted to the Committee:

(1) Complete working drawings showing elevations and plan setting out ground floor or slab elevations in relation to street and property lines for all structures erected, altered, placed, assembled, or permitted to remain on any Lot including any dwelling, garage, carport, porch, storage building, stable, well, and/or mechanical or utility installation, and shall include a plan of the Lot drainage pattern.

(2) Plans of all fencing, including Lot line fencing or Lot fencing attached or related to any dwelling, garage, carport, porch, storage building and/or mechanical or utility installation.

(3) Plan of any alteration, modification, or change to any dwelling, garage, carport, porch, storage building and/or mechanical or utility installation involving the Lot drainage pattern, paving floors, walls, roof or window and door openings.

(c) The following are the basic construction guidelines to be applied by the Committee. The enumeration of these minimum construction guidelines is not intended to limit the authority vested in the Committee by Article VII of this Act. From time to time the Committee may supplement these guidelines. It is the responsibility of the Owner to ask for and follow the latest issue of the guidelines BEFORE SUBMITTING PLANS AND BEGINNING CONSTRUCTION.

(1) FEES: A Review Fee will be charged for the review of plans by the Committee, which is, as are all others, due at the time the plans are submitted for approval. The Review Fee is \$50.00 for house plans and \$25.00 for plans of additions, alterations, accessory buildings, or fences. The Review Fee is non-refundable. A fee will be charged for the connection of improvements on any Lot to the water distribution system in Highlands in the amount of \$400.00 and is due prior to the commencement of construction.

A Drainage Swale Deposit will be charged in the amount of \$200.00 for interior Lots and \$300.00 for corner Lots. The Drainage Swale Deposit is required in order to assure that the drainage swales on the Lots are maintained in working condition. After construction is complete and the swale has been graded and grassed and after inspection by Association personnel, the deposit will be refunded upon request.

(2) Residences on all Lots shall be constructed to face the front street. No residence or other structure shall be located nearer than fifty (50) feet to the front property line nor nearer than twenty (20) feet to any interior side line or nearer than twenty-five (25) feet to any side street line. Rear building setback will be no less than thirty (30) feet from the rear

property line. The maximum set back line for all Lots in the subdivision shall be determined by the Committee. For the purposes of this covenant, setback requirements shall be measured from the outer edge of eaves or overhangs.

(3) MULTIPLE LOTS: Where a building site is comprised of more than one Lot for the purposes of these covenants, this site shall be treated as one Lot provided that all of the restrictions herein shall apply and the Owner of any Lot or Lots shall not be permitted to resubdivide said Lot.

(4) USAGE: No Lot shall be used for any purpose other than a single family residential purpose. No building shall be erected, altered, placed, or permitted to remain on any Lot other than one single family dwelling, a private garage or carport, and other structures specifically approved by the Committee.

(5) SQUARE FOOTAGE: No dwelling shall be permitted on any Lot which is smaller than 2,000 square feet exclusive of garages, porches, or other similar attachments.

(6) OUTBUILDINGS: No garage, carport, basement, out building, shack, barn, tent, trailer, or temporary structure placed or maintained on any Lot shall at any time be used or occupied as a residence, either temporarily or permanently. No dwelling on any Lot shall be occupied while in the course of construction until it shall comply with all the conditions set forth herein. All barns must have the same characteristic style and color of the main building.

(7) COMMERCIAL USE: No trade or business shall be conducted upon any Lot.

(8) SEWER SYSTEM: An individual sewer treatment system manufactured by Jet Aeration Company of Cleveland, Ohio, or its equivalent shall be installed for each dwelling, and no dwelling shall be occupied until such system is installed.

(9) GROUND REMOVAL: Except for the purposes of actual construction upon such Lot and for the approved excavation of portions of a Lot or Lots for the purpose of boat slip construction, no sand, gravel, or soil shall be removed from any Lot, provided however, the Developer, in carrying out the improvement and development of the Property shall have the right to remove or add soil to any Lot owned by it and shall have the right of ingress and egress upon all Lots for the purpose of grading and excavating thereon in connection with the constructing of and completing of the street improvements, the installation of public utilities, and to do any and all other things necessary to complete the general plan of improvement. Unless suitable retaining walls are constructed to support the earth, the natural angle of repose of the ground shall not be altered by excavation within fifteen (15) feet of any boundary line of any Lot, provided however, nothing in this paragraph shall be construed to prevent any such alteration in any manner with or without retaining walls by Developer in carrying out the development and improvement of the Property.

(10) CULVERTS: No driveway culvert will be installed until sized as required by the Parish Department of Planning and Engineering for St. Tammany Parish and installed at an elevation,

as required by the Association. If it becomes necessary to reset a culvert to proper elevation after completion of driveway the Owner will be charged with the cost of such work.

(11) MOBILE HOMES: Mobile homes will not be permitted to occupy lots in this subdivision except those temporarily on the premises during construction as approved by the Committee or the Board.

(12) SERVITUDES: No construction of any nature will be permitted within drainage servitudes or street rights-of-way, except for subdivision entry structures.

(13) MAINTENANCE: All building sites must be kept clean and clear of building and other debris.

(14) SANITATION: It is the Owner's responsibility to apply to the Association for garbage and trash pick-up, water billing, and register for security service.

(15) DITCHES AND SWALES: Each owner shall keep drainage ditches and swales located on his lot free and unobstructed and in good repair. He shall prevent erosion on his lot. Swales should not be blocked during construction to insure adequate drainage.

(16) FIRES: No fires on individual lots will be left burning after sundown. If Owner must burn undergrowth, construction lumber, etc., the fire must be extinguished by sundown.

(17) WATER SYSTEM: All Owners shall be required to connect their residences to Highlands water system. No dwelling will be occupied until water is connected.

(18) BOAT HOUSES: No boat houses may be constructed out into the Lakes. All such boat houses must be excavated from the Owner's lot shoreward of the regular shoreline. No boat house may exceed twelve feet (12') in height.

(19) DOCKS: No dock may extend more than twenty feet (20') into the Lakes.

(20) RECREATIONAL USAGE: Each Owner and every member of his immediate family shall be issued, by the Association, a properly signed and current authorization card which must be in the possession of the authorized person using the Dams and Lakes. Authorization cards shall be issued by the Committee and may be withdrawn for conduct inconsistent with the safe and courteous use of the Lakes and the Dams. No guest of any Owner may utilize the Lakes and Dams without being accompanied by an authorized Member.

(21) WATERCRAFT: No boat or water craft with a motor that could exceed the maximum speed of five (5) m.p.h. will be allowed on Lake #1 and Lake #3 shown on Exhibit "A". No boat or water craft with a motor that could exceed the maximum speed of thirty-five (35) m.p.h. will be allowed on Lake #2 shown on Exhibit "A".

(22) TRESPASS: No Owner or Member or any guest thereof, shall trespass upon property located on the north side of the Lakes except in the case of emergencies.

(23) VEHICULAR USE OF DAMS: No Owner or Member shall cause or allow any vehicle to cross or be placed upon the Dams.

ARTICLE VIII

Section 1. Prohibited Uses and Nuisances. Except with the prior written approval of the Committee, or as may be necessary in connection with reasonable and necessary repairs or maintenance to any dwelling or upon the Community Facilities:

(a) no noxious or offensive activity shall be carried on upon any Lot or within any dwelling situated upon the Property or Community Facilities, nor shall anything be done therein or thereon which may or become an annoyance or nuisance to the neighborhood or other Members.

(b) the maintenance, keeping, boarding and/or raising of animals, livestock, or poultry of any kind, regardless of number shall be and is hereby prohibited on any Lot or within any dwelling situated upon the Property or on the Community Facilities, except that this shall not prohibit the keeping of horses, dogs, cats and/or caged birds as domestic pets provided they are not kept, bred or maintained for commercial purposes and, provided further, that such domestic pets are not a source of annoyance or nuisance to the neighborhood or other Members, and provided further that not more than two (2) horses may be kept on each Lot. Pets shall be registered, licensed and inoculated as may from time to time be required by law. Any Member who keeps or maintains any pet upon any portion of the Community Facilities shall be deemed to have indemnified and agreed to hold the Association, the Members and the Developer free and harmless from any loss, claim, or liability of any kind or character whatsoever including attorney fees arising by reason of the keeping or maintaining of such pet upon the Community Facilities. The Board shall have the right to order any Member whose pet is a nuisance, to remove such pet from the Property or Community Facilities and the Board shall have the sole and exclusive authority to determine, after notice to such member and affording such member an opportunity for a hearing before the Board, whether or not any pet is a nuisance. All horse stalls, exercise yards, barns, and other places of habitation for horses will be located on each Lot in a position such that rain run off from such areas will not flow into the Lakes. Owners keeping horses on a Lot may request approval of the plans by the Committee for construction of impoundments on such Lot to prevent rain run-off from such areas from draining into the Lakes.

(c) no accumulation or storage of litter, lumber, scrap metals, refuse, bulk materials, waste, new or used building materials, or trash of any other kind shall be permitted on any Lot or Community Facilities; provided, however, that the storage of building materials and equipment shall be permitted during periods of new construction, remodeling and/or renovation of any improvements located upon any Lot.

(d) except as hereinafter provided, no junk vehicle, commercial vehicle, trailer, truck (except a pick-up truck), camper, recreational vehicle, camp truck, house trailer, boat or other machinery or equipment of any kind or character (except for such equipment and/or machinery as temporarily may be reasonable, customary and usual in connection with the maintenance of any dwelling or other improvements located upon the Property and except for such equipment and/or machinery as the Association may require in connection with the maintenance and operation of the Community Facilities shall be kept upon the Property nor (except for bona fide emergencies) shall the repair or extra-ordinary maintenance of automobiles or other vehicles be carried out thereon; provided, however, that this restriction shall not apply to vehicles, trailers, boats, machinery, equipment or the like stored and kept within an enclosed storage room or garage or such non-enclosed area

screened from the roads as the Committee may approve in writing. The Association may, in the discretion of its Board, provide and maintain a suitable area designated for the parking of such vehicles or the like.

(e) trash and garbage containers shall not be permitted to remain in public view except on days of trash collection. No incinerator shall be kept or maintained upon any Lot. Garbage, trash, and other refuse shall be placed in covered containers.

(f) no Lot shall be divided or subdivided and no portion of any Lot (other than the entire Lot) shall be transferred or conveyed for any purpose; except in those instances where the Committee approves said subdivision or revision in Lot size. No portion of any dwelling (other than the entire dwelling) shall be leased.

(g) except for hoses and the like which are reasonably necessary in connection with normal lawn maintenance, no water pipe, sewer pipe, gas pipe, drainage pipe, telephone line, electrical line, or cable, television cable or similar transmission line, or the like, shall be installed or maintained on any Lot above the surface of the ground.

(h) no Lot shall be used for the purpose of boring, mining, quarrying, exploring for or removing oil or other hydrocarbons, minerals, gravel, or earth, except to drill a water well for domestic consumption on that Lot.

(i) no structure of a temporary character, and no trailer, tent, shack, barn, pen, kennel, run, stable, outdoor clothes dryer, playhouse, shed, or other buildings shall be erected, used or maintained on any Lot at any time; provided, however, the foregoing restriction shall not prohibit the maintenance of those temporary structures, trailers or the like which are necessary during the construction, remodeling and/or renovation of any improvements thereon. No such structures, trailers or the like shall be utilized for dwelling purposes and all such structures, trailers or the like shall be removed from the Lot promptly following the completion of any such improvements.

(j) except for entrance signs, directional signs, signs for traffic control or safety, community "theme areas" and such promotional signs or signs as may be maintained by the Developer or the Association, no signs or advertising devices of any character, including (without limitation) for sale, for lease, for trade, or similar signs, shall be erected, posted or displayed upon, in or about any Lot, or Community Facilities.

(k) no structure, planting or other material shall be placed or permitted to remain upon any Lot which may damage or interfere with any servitude for the installation or maintenance of utilities, or which may change, obstruct, or retard direction or flow of any drainage channels.

(l) no Member shall engage or direct any employec of the Association on any private business of the Member during the hours such employee is employed by the Association, nor shall any Member direct, supervise, or in any manner attempt to assert control over any employec of the Association.

(m) no dwelling or other improvements which are located upon the Property shall be permitted to fall into disrepair and all such dwellings and other improvements (including lawn and other landscaped areas) shall be maintained in good condition and repair.

(n) except as provided for in the Rules and Regulations, no wharf, pier, bulkhead, dock, launching facilities, or other structure or obstruction shall be built or maintained upon or into any of the Lakes or any stream, pond, river, canal, or other waterway which is part of or adjacent or contiguous to the property. In no event shall any such structure or obstruction be permitted under circumstances where it creates any threat to safe navigation or to the safe and convenient use of any waterway as a recreational facility.

(o) no boat canal shall be constructed upon any lot nor shall any dam, channel, or other device be constructed or installed upon any lot; nor shall any construction be permitted which shall in any way alter or impede the course of natural boundaries of any waterway or which shall involve or result in the removal of water from any waterway.

(p) no garbage, trash, or other refuse shall be dumped in any waterway upon or adjacent to the Property or the Community Facilities.

(q) there shall be no violation of any rules for the use of the Community Facilities or "house rules" or other community rules and regulations not inconsistent with the provisions of this Act (including, without limitation, any rules and regulations regarding the use of boats on any of the Lakes or other waterways owned by or under the control of the Association) which may from time to time be adopted by the Board.

Section 2. Enforcement - Right to Remove or Correct Violations. In the event any violations or attempted violation of any of the servitudes, privileges, or restrictions contained in this Act shall occur or be maintained upon any lot or upon the Community Facilities, or in the event of any other conduct in violation of any of the provisions and requirements of this Act, then the same shall be considered to have been undertaken without the approval of the Board or the Committee required herein, and, upon written notice from the Board or the Committee, such violation shall be promptly removed or abated. In the event the same is not removed, or the violation is not otherwise terminated or abated, within fifteen (15) days (or such shorter period as may be required in any such notice) after notice of such violation is delivered to the Owner of the lot upon which such violation exists, or to the Member responsible for such violation if the same shall be committed or attempted on premises other than the lot owned by such Member, then the Association shall have the right, through its agents and employees (but only after a resolution of the Board or the Committee), to enter upon such lot or such property upon which the violation is being committed, to take such steps as may be necessary to remove or otherwise terminate or abate such violation and the cost thereof may be assessed against the responsible Owner or Member. When so assessed, a statement for the amount thereof shall be rendered to the Owner or Member, as the case may be, at which time the Assessment shall become due and payable and a binding personal obligation of the Owner of such lot or Member, as the case may be, in all respects and subject to the same limitations as provided in Article V of this Act. The Association shall have the further right, through its agents, employees or committees, to enter upon and inspect any lot at any reasonable time for the purpose of ascertaining whether any violation of the provisions of this Act exist on such lot; and neither the Association nor any agent or employee shall be deemed to have committed a trespass or other wrongful act by reason of such entry or inspection.

ARTICLE IX

Section 1. Management Agent. The Association may employ a Management Agent at a rate of compensation to be established by the Board to perform such duties and services as the Board shall authorize, including, without limitation:

(a) to establish (with the approval of the Board) and provide for the collection of the maintenance Assessments and other Assessments provided for in this Act in a manner consistent with law and the provisions of this Act; and

(b) to provide for the care, upkeep, maintenance and surveillance of the Community Facilities; and

(c) to designate, hire and/or dismiss such personnel as may be required for the good working order, maintenance and efficient operation of the Community Facilities; and

(d) to promulgate (with the approval of the Board) and enforce such rules and regulations and such restrictions or requirements, "house rules" or the like as may be deemed proper respecting the use of the Community Facilities; and

(e) to provide such other services (including accounting services) for the Association as may be consistent with law and the provisions of this Act.

Section 2. Limitation of Liability. Neither the Association nor the Developer shall be liable for any failure of any services to be obtained by the Association or paid for out of the common expense funds, or for injury or damage to person or property caused by the elements or resulting from water which may leak or flow from any portion of the Community Facilities or from any wire, pipe, drain, conduit or the like. Neither the Association nor the Developer shall be liable to any Member for loss or damage, by theft or otherwise, of articles which may be stored upon the Community Facilities. No diminution or abatement of Assessments, as hereinelsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Community Facilities or from any action taken by the Association or the Developer to comply with any law or ordinance or with the order or directive of any Governmental Authority.

ARTICLE X

Section 1. Duration - Amendment. Except where permanent servitudes or other permanent rights or interests are herein created, the servitudes, privileges, and restrictions of this Act shall run with and bind any land, and shall inure to the benefit of and be enforceable by the Association, or the Owner of any Lot subject to this Act, their respective legal representatives, heirs, successors, and assigns, for a term of thirty (30) years from the date of recordation of this Act, after which the said servitudes, privileges, and restrictions shall be automatically extended for successive periods of ten (10) years each, unless any instruments signed by the then Owners of a majority of the Lots has been recorded, agreeing to change said servitudes, privileges, and restrictions, in whole or in part. The terms and provisions of this Act, and any of the servitudes, privileges, or restrictions herein contained, may be modified in whole or in part, terminated or waived, prior to or subsequent to the expiration of the thirty (30) year period aforesaid, by an act of modification, termination, or waiver signed by the then Owners of a majority of the Lots and duly

recorded with the Clerk of Court and Ex-officio Recorder of Mortgages and Registrar of Conveyances for St. Tammany Parish, Louisiana.

Section 2. Construction and Enforcement. The provisions hereof shall be liberally construed to effectuate the purpose of creating a uniform plan for the development and operation of the community of Highlands. Enforcement of these servitudes, privileges, and restrictions shall be by any legal proceeding against any Owner or Member violating or attempting to violate any servitude, privilege, or restriction, either to restrain or enjoin violation or to recover damages, or both; and the failure or forbearance by the Association or the Owner of any Lot to enforce any servitude, privilege, or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

The provisions hereof may be enforced, without limitation, by the Association, the Developer, or by any Owner of any Lot which becomes subject to the provisions hereof.

There shall be and there is hereby created and declared to be a conclusive presumption that any violation or breach or any attempted violation or breach of any of the within servitudes, privileges, or restrictions cannot be adequately remedied exclusively by recovery of damages. The Members and Owners hereby agree that any such violation or attempted violation may be enjoined or abated by means of a prohibitory or mandatory injunction. In the event that the Developer or the Association obtains an injunction from a court of proper jurisdiction, no bond or other security shall be required in connection therewith, any such requirement in connection therewith being waived.

Section 3. Incorporation by Reference on Resale. In the event any Owner sells or otherwise transfers any Lot, any act of sale or contract to sell purporting to effect such transfer shall contain a provision incorporating by reference this Act. However, the failure to so incorporate by reference, shall not in any way impair the enforceability of these provisions in connection with the subsequent ownership of any Lot.

Section 4. Notices. Any notice required to be sent to any Member or Owner under the provisions of the Act shall be deemed to have been properly sent when mailed, by ordinary mail, postage prepaid, to the last known address of the Member or Owner as shown on the records of the Association at the time of such mailing.

Section 5. No Dedication to Public Use. Nothing herein contained shall be construed as a dedication to public use or as an acceptance for maintenance of any Community Facility by any Governmental Authority and no Governmental Authority shall have any responsibility or liability for the maintenance or operation of any said Community Facilities.

Section 6. Severability. Invalidation of any one of these servitudes, privileges, or restrictions by judgment, decree, or order shall in no way affect any other provision hereof, each of which shall remain in full force and effect.

Section 7. Captions. The captions contained in this Act are for convenience only and are not part of this Act and are not intended in any way to limit or enlarge the terms and provisions of this Act.

ARTICLE XI

Section 1. Assessment Liens The unpaid portion of any Assessments shall be secured by a lien upon the Lot or Lots owned by the Member owing such unpaid portion, after filing of record the claim of lien by the Association in the office of the Clerk of Court and Ex-officio Recorder of Mortgages for the Parish of St. Tammany. The Association shall not, however, record such a claim of lien until the Assessment is unpaid for not less than thirty (30) days after it is assessed. At least seven (7) days prior to filing such a claim of lien, the Association shall provide written notice to the delinquent Member setting forth the amount of the delinquent Assessments, the date such Assessments became delinquent, and a statement indicating the Associations intent to file a claim of lien upon the Members Lot or Lots. Said lien shall also secure the payment of interest on said Assessments which shall be at a rate equal to the higher of twelve percent (12%) per annum or the highest lawful rate from date of Assessment until paid, and reasonable attorney fees in favor of the Association.

Section 2. Attorney fees. In the event of the violation of any of the provisions of this Act, the party in breach shall be liable, in addition to all other sums, for reasonable attorney fees incurred by the successful party in enforcing the provisions of this Act.

ARTICLE XII

Edna Mae Assel wife of/and C. T. Carden and Ellenora Perrilliat wife of/and W. K. McWilliams, Jr., hereinafter referred to collectively as "Carden and McWilliams" intervene in this Act and declare as follows:

Section 1. Dams and Lakes - Recreational Use.

(a) Carden and McWilliams are the owners of the real property which abuts and is adjacent to the Property on its northern boundary line and on which they have constructed or are constructing three dams (hereinafter sometimes referred to as the "Dams"), which will create the Lakes, the southern shoreline of which will form and be the northern boundary of the Property, all as more fully shown on Exhibit A attached hereto; and

(b) Carden and McWilliams herewith grant to each Owner the right and privilege to use the Dams and the Lakes for recreational purposes as herein provided; and

(c) Carden and McWilliams authorize the Committee to establish such rules for the recreational use of the Dams and the Lakes by the Owners as the Committee may deem appropriate, with due regard for the safety, enjoyment, and well being of the Owners; and

(d) Carden and McWilliams will restrict their use of the Dams and the Lakes and the use thereof by their friends, families, and invitees so as not to reduce the values of lots in the Highlands nor impair the safety, enjoyment and wellbeing of the Owners; and

(e) In no event shall Carden and McWilliams be liable for any injury or damage to person or property arising out of the their ownership of the Dams and Lakes.

Section 2. Dams and Lakes - Opposite Shore.


(a) Carden and McWilliams are the owners of the real property which forms the northern shoreline of the Lakes, which is also the opposite shoreline across the Lakes from the Property (all depicted on Exhibit A attached hereto); and

(b) Carden and McWilliams agree that, in order to further provide for the preservation of the values and amenities in Highlands, they will not subdivide the real property forming the northern shoreline of the Lakes except into lots no smaller than those in Highlands forming the southern (opposite) shoreline of the Lakes, and that any such subdivision shall include servitudes, privileges, and restrictions which attach to and run with such subdivision lots that may be appropriate to such real property.


(c) Carden and McWilliams declare that these rights and privileges, herein granted to the Owners, appertain to and run with and in favor of the Lots in Highlands and shall be enforceable by the Association, against Carden and McWilliams (or either of them), their heirs, successors, and assigns.

THUS DONE AND PASSED, in multiple originals, in my office at New Orleans, Louisiana, on the day, month, and year first hereinabove written in the presence of the undersigned competent witnesses, who hereunto sign their names after due reading of the whole.

WITNESSES:

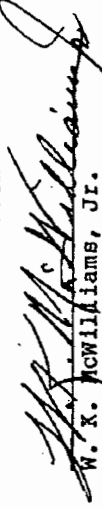


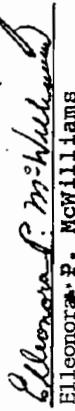
LEE ROAD DEVELOPMENT COMPANY

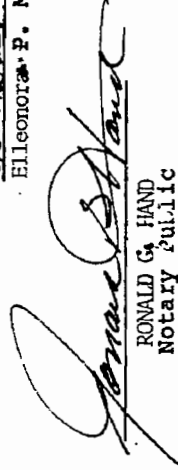
By:   
C. T. Carden, Vice-president

  
C. T. Carden,

  
Edna Mae Assef Carden

  
W. X. McWilliams, Jr.

  
Eleonora P. McWilliams

  
RONALD G. HAND  
Notary Public