

**AMENDMENT TO RESTRICTIVE COVENANTS
HIGHLANDS SUBDIVISION**

STATE OF LOUISIANA

PARISH OF ST. TAMMANY

BE IT KNOWN, that on this 7th day of October, 1995, before me, Notary, duly commissioned and qualified in and for the State of Louisiana, personally came and appeared:

LEE ROAD DEVELOPMENT COMPANY ("LRDC"), whose Tax Identification Number is 72-0953269, a Louisiana corporation herein represented by W.K. McWilliams, Jr., its President and June H. Cassidy, its Secretary and Treasurer, duly authorized by unanimous consent of the Board of Directors last dated the August 1, 1994 recorded COB and MOB Instrument No. 916929, the present mailing address of the corporation being 1615 Poydras Street, Suite 2278, New Orleans, LA 70112;

who declared to me, Notary, as follows:

INTRODUCTION

1.

LRDC is the owner of approximately 80% of the lots in the Highlands Subdivision, St. Tammany Parish, Louisiana, described in accordance with a subdivision plan of Jeron R. Fitzmorris dated 7/22/83, revised 10/13/83, 10/27/83 and 4/25/86, recorded in Map File No. 925-A of the Clerk of Court of St. Tammany Parish, Louisiana, and described in accordance with a re-subdivision map by Jeron R. Fitzmorris dated 6/24/94, recorded in Map File No. 1226 of the Clerk of Court of St. Tammany Parish, Louisiana.

2.

Building restrictions and restrictive covenants were imposed by LRDC on the lots in the Highlands Subdivision pursuant to an instrument dated October 18, 1983, recorded COB 1126, Folio 472, MOB Instrument No. 874409 of the records of St. Tammany Parish, Louisiana ("Highlands Restrictive Covenants").

3.

An "Act of Correction Among McWilliams and Lee Road Development Company" was entered into among Eileenora Perrilliat,

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wife of and W.K. McWilliams, Jr. and Lee Road Development Company dated July 23, 1993, recorded COB Instrument No. 866934 of the records of St. Tammany Parish, Louisiana ("First Act of Correction").

4.

Article IV of the First Act of Correction provides as follows:

ARTICLE IV.

IMPOSITION OF RESTRICTIONS

Section 4.1. General. LRDC and McWilliams do hereby amend and correct the sale from McWilliams to LRDC dated June 8, 1987 recorded COB 1306 folio 900 to add the provisions of this Article IV with respect to the Highlands Restrictive Covenants.

Section 4.2. Portion of Present McWilliams Property Affected. Subject to the other provisions of this Article, all of the provisions of the Highlands Restrictive Covenants, without limitation, are applicable to that portion of the Present McWilliams Property which is adjacent to the former Middle Lake and the Upper Lake and which is bounded on the South by the north shore of the former Middle Lake and Upper Lake and which is bounded on the North by a line five hundred (500) feet distant from and parallel to the north shore of the Upper Lake and the former Middle Lake ("Designated North Shore Property").

Section 4.3. Lot Sizes On North Shore of Former Middle Lake and Upper Lake. McWilliams shall have the right to subdivide the Designated North Shore Property and such other portions of the Present McWilliams Property as he shall determine, and in the event of such subdivision, the lots and parcels that front on the former Middle Lake and the Upper Lake shall not be smaller in size than the lots fronting on the south shore of the former Middle Lake and Upper Lake as provided in Article XII, Section 2(b) of the Highlands Restrictive Covenants.

Section 4.4. Agricultural Use Exception. As an exception to the Highlands Restrictive Covenants, the Designated North Shore Property may be used for all agricultural purposes, including agricultural business purposes; provided that, if the Designated North Shore Property is subdivided into lots and parcels of five (5) acres or less and a sale of such subdivided lots or parcels occurs, then the agricultural exception provided for in this section shall not apply to such lots or parcels that have been sold.

Section 4.5. Benefits To Owners Of Designated North Shore Property. The owner or owners of the Designated North Shore Property, or the lots created by subdivision thereof, shall have all the rights, privileges and benefits that are enjoyed by the owners of the lots in the Highlands Subdivision as provided for in the Highlands Restrictive Covenants.

Section 4.6. Exemption From Assessments Relating To Maintenance Of Streets and Certain Other Common Areas. The owner or owners of the Designated North Shore Property, or the lots created by subdivision thereof, shall not be charged or assessed for any costs relating to the streets in the Highlands Subdivision or any other Common Areas or amenities in the Highlands Subdivision that principally benefit the owners of the lots in the Highlands Subdivision.

Section 4.7. No Discrimination Against Designated North Shore Property. No action shall be taken by the Highlands Homeowners Association, Inc. nor by the Environmental and Architectural Control Committee nor by any other agency referred to in or created by the Highlands Restrictive Covenants which discriminates against the Designated North Shore Property and the owners thereof as compared with actions of such agencies taken with respect to the Highlands Subdivision and the owners thereof.

Section 4.8. Limitation of Highlands Restrictive Covenants. Nothing herein shall cause the Highlands Restrictive Covenants to apply to any portion of the Present McWilliams Property other than the Designated North Shore Property.

5.

An "Act of Correction Among McWilliams, Carden and Lee Road Development Company" was entered into among Elleonora Perrilliat, wife of/and W.K. McWilliams, Jr., Edna Mae Assel, wife of/and C.T. Carden and Lee Road Development Company dated May 11 and May 20, 1994, recorded COB Instrument No. 906882 of the records of St. Tammany Parish, Louisiana ("Second Act of Correction").

6.

Article IV of the Second Act of Correction provides as follows:

ARTICLE IV.

IMPOSITION OF RESTRICTIONS

Section 4.1. General. LRDC, McWilliams and Carden do hereby amend and correct the sale from Carden to LRDC dated June 8, 1987 recorded COB 1306 folio 894 to add the provisions of this Article IV with respect to the Highlands Restrictive Covenants.

Section 4.2. Portion of Tract A Affected. Subject to the other provisions of this Article, all of the provisions of the Highlands Restrictive Covenants, without limitation, are applicable to that portion of Tract A which is adjacent to the Lower Lake and which is bounded on the South by the north shore of the Lower Lake, which is bounded on the North by a line five hundred (500) feet distant from and parallel to the north shore of the Lower Lake, bounded on the east by the

property of McWilliams as described in Section 1.7 of the Act of Correction Between McWilliams and LRDC dated July 23, 1993, recorded as COB Instrument No. 866934, and bounded on the west by a projection of the center line of the Lower Lake dam northward 500 feet ("Designated North Shore Property").

Section 4.3. Lot Sizes On North Shore of Lower Lake. McWilliams shall have the right to subdivide the Designated North Shore Property and such other portions of Tract A as McWilliams shall determine, and in the event of such subdivision, the lots and parcels that front on the Lower Lake shall not be smaller in size than the lots fronting on the south shore of the Lower Lake as provided in Article XII, Section 2(b) of the Highlands Restrictive Covenants.

Section 4.4. Agriculture Use Exception. As an exception to the Highlands Restrictive Covenants, the Designated North Shore Property may be used for all agricultural purposes, including agricultural business purposes; provided that, if the Designated North Shore Property is subdivided into lots and parcels of five (5) acres or less and a sale of such subdivided lots or parcels occurs, then the agricultural exception provided for in this section shall not apply to such lots or parcels that have been sold.

Section 4.5. Benefits To Owners Of Designated North Shore Property. The owner or owners of the Designated North Shore Property, or the lots created by subdivision thereof, shall have all the rights, privileges and benefits that are enjoyed by the owners of the lots in the Highlands Subdivision as provided for in the Highlands Restrictive Covenants.

Section 4.6. Exemption From Assessments Relating To Maintenance Of Streets and Certain Other Common Areas. The owner or owners of the Designated North Shore Property, or the lots created by subdivision thereof, shall not be charged or assessed for any costs relating to the streets in the Highlands Subdivision or any other Common Areas or amenities in the Highlands Subdivision or any other costs related to the Highlands Subdivision that principally benefit the owners of the lots in the Highlands Subdivision.

Section 4.7. No Discrimination Against Designated North Shore Property. No action shall be taken by The Highlands Homeowners Association of St. Tammany, Inc. nor by the Environmental and Architectural Control Committee nor by any other agency referred to in or created by the Highlands Restrictive Covenants which discriminates against the Designated North Shore Property and the owners thereof as compared with actions of such agencies taken with respect to the Highlands Subdivision and the owners thereof.

Section 4.8. Limitation of Highlands Restrictive Covenants. Nothing herein shall cause the Highlands Restrictive Covenants to apply to any portion of Tract A other than the Designated North Shore Property.

Section 4.9. Restrictions Run With the Land. The Highlands Restrictive Covenants which are imposed in this Article on the Designated North Shore Property shall be

servitudes imposed upon the Designated North Shore Property which shall run with the land.

7.

The Highlands Homeowners Association of St. Tammany, Inc. ("Association") has approved this instrument as evidenced by a resolution of the membership, a copy of which is annexed hereto and made a part hereof, and which is dated November 30, 1995.

AMENDMENTS TO RESTRICTIVE COVENANTS

8.

Pursuant to the resolution of the Association and pursuant to the powers of LRDC to amend the Highlands Restrictive Covenants as a result of it owning approximately 80% of the lots in the Highlands Subdivision (see Article X, Section 1 of the Highlands Restrictive Covenants), the Highlands Restrictive Covenants are hereby amended and/or supplemented as set forth in the succeeding paragraphs.

9.

The provisions of Article IV of the First Act of Correction and of Article IV of the Second Act of Correction are hereby made a part of and adopted as a part of the Highlands Restrictive Covenants.

10.

Article VII, Section 3 of the Highlands Restrictive Covenants is hereby amended and re-adopted to read and be as follows:

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 who submitted 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 fifteen (15) 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.

11.

Article VII, Section 6 (c) (2) of the Highlands Restrictive Covenants is hereby amended and re-adopted to read and be as follows:

(2) SETBACKS: 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 thirty (30) 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 edges of eaves or overhangs.

12.

Article VII, Section 6 (c) (5) of the Highlands Restrictive Covenants is hereby amended and re-adopted to read and be as follows:

(5) SQUARE FOOTAGE: The minimum square footage for residences, exclusive of garages, porches or similar attachments, shall be as follows:

Lake Front Lots:
One-Story Dwellings - 3,000 sq.ft.
Two-Story Dwellings - 3,600 sq.ft.

All Other Lots:
One-Story Dwellings - 2,400 sq.ft.
Two-Story Dwellings - 3,000 sq.ft.

13.

Article VII, Section 6 (c) (8) of the Highlands Restrictive Covenants is hereby amended and re-adopted to read and be as follows:

(8) SEWER SYSTEM: An individual sewer treatment system approved by the appropriate governmental regulatory agencies shall be installed for each dwelling, and no dwelling shall be occupied until such system is installed.

14.

Article VII, Section 6 (c) (21) of the Highlands Restrictive Covenants is hereby amended and re-adopted to read and be as follows:

(21) WATERCRAFT: The use of outboard motors (gasoline powered) shall not be allowed on any of the lakes and only the use of electric motors shall be allowed.

15.

Article VIII, Section 1 (b) of the Highlands Restrictive Covenants is hereby amended and re-adopted to read and be as follows:

(b) ANIMALS: 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 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. 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.

16.

The Clerk of Court for the Parish of St. Tammany is requested to make mention of this Amendment to Restrictive Covenants in the margin of the instrument dated October 18, 1983, recorded COB 1126, Folio 472, MOB Instrument No. 874409 of the records of St. Tammany Parish, Louisiana (see Paragraph 2 hereof) and in the margin of the instrument dated July 23, 1993, recorded COB Instrument No. 866934 of the records of St. Tammany Parish, Louisiana (see Paragraph 3 hereof) and in the margin of the instrument dated May 11 and May 20, 1994, recorded COB Instrument No. 906882 of the records of St. Tammany Parish, Louisiana (see Paragraph 5 hereof).

THUS DONE AND PASSED in my office, in St. Tammany Parish, Louisiana, before the undersigned competent witnesses, after due reading of the whole.

WITNESSES:

Edna M. Caden
Isaac D. Ruffin

LEE ROAD DEVELOPMENT COMPANY

BY: *W.K. McWilliams, Jr.*
W.K. MCWILLIAMS, JR., President

BY: *Jane H. Cassidy*
JANE H. CASSIDY,
Secretary/Treasurer

William J. Jones, Jr.
WILLIAM J. JONES, JR.
NOTARY PUBLIC

**RESOLUTION OF THE MEMBERSHIP
OF THE HIGHLANDS HOMEOWNERS
ASSOCIATION OF ST. TAMMANY, INC.**

UPON MOTION duly made seconded and carried, it was resolved as follows:

1.

The Restrictive Covenants for the Highlands Subdivision dated October 18, 1983, recorded MOB 874409, COB 1126, Folio 472, MOB Instrument No. 874409 of the records of St. Tammany Parish, Louisiana shall be amended as set forth in the following paragraphs ("**Highlands Restrictive Covenants**").

2.

The "Act of Correction Among McWilliams and Lee Road Development Company" was entered into among Elleonora Perrilliat, wife of/and W.K. McWilliams, Jr. and Lee Road Development Company dated July 23, 1993, recorded COB Instrument No. 866934 of the records of St. Tammany Parish, Louisiana is hereby approved and the provisions of Article IV thereof are hereby made a part of and adopted as a part of the Highlands Restrictive Covenants.

3.

The "Act of Correction Among McWilliams, Carden and Lee Road Development Company" was entered into among Elleonora Perrilliat, wife of/and W.K. McWilliams, Jr., Edna Mae Assel, wife of/and C.T. Carden and Lee Road Development Company dated May 11 and May 20, 1994, recorded COB Instrument No. 906882 of the records of St. Tammany Parish, Louisiana is hereby approved and the provisions of Article IV thereof are hereby made a part of and adopted as a part of the Highlands Restrictive Covenants.

4.

Article VII, Section 3 of the Highlands Restrictive Covenants is hereby amended and re-adopted to read and be as follows:

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

who submitted 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 fifteen (15) 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.

5.

Article VII, Section 6 (c) (2) of the Highlands Restrictive Covenants is hereby amended and re-adopted to read and be as follows:

(2) SETBACKS: 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 thirty (30) 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 edges of eaves or overhangs.

6.

Article VII, Section 6 (c) (5) of the Highlands Restrictive Covenants is hereby amended and re-adopted to read and be as follows:

(5) SQUARE FOOTAGE: The minimum square footage for residences, exclusive of garages, porches or similar attachments, shall be as follows:

- Lake Front Lots:
 - One-Story Dwellings - 3,000 sq.ft.
 - Two-Story Dwellings - 3,600 sq.ft.

- All Other Lots:
 - One-Story Dwellings - 2,400 sq.ft.
 - Two-Story Dwellings - 3,000 sq.ft.

7.

Article VII, Section 6 (c) (8) of the Highlands Restrictive Covenants is hereby amended and re-adopted to read and be as follows:

(8) SEWER SYSTEM: An individual sewer treatment system approved by the appropriate governmental regulatory agencies shall be installed for each dwelling, and no dwelling shall be occupied until such system is installed.

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Article VII, Section 6 (c) (21) of the Highlands Restrictive Covenants is hereby amended and re-adopted to read and be as follows:

(21) WATERCRAFT: The use of outboard motors (gasoline powered) shall not be allowed on any of the lakes and only the use of electric motors shall be allowed.

9.

Article VIII, Section 1 (b) of the Highlands Restrictive Covenants is hereby amended and re-adopted to read and be as follows:


(b) ANIMALS: 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 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. 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.

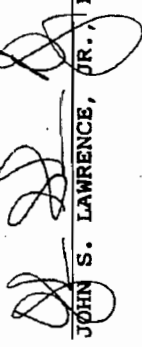
10.

Lee Road Development Company is authorized on behalf of the Highlands Homeowners Association of St. Tammany, Inc. to enter into the necessary authentic act to effectuate the provisions hereof and to record same. Furthermore, Lee Road Development Company is authorized on behalf of the Highlands Homeowners Association of St. Tammany, Inc. to enter into a separate authentic act to re-state

the Highlands Restrictive Covenants incorporating the amendments provided for herein and to record same.

We hereby certify that the foregoing is a true and correct copy of a Resolution properly adopted at a membership meeting of the members of Highlands Homeowners Association of St. Tammany, Inc. on November 30, 1995.


W. K. McWILLIAMS, JR., SECRETARY


JOHN S. LAWRENCE, JR., PRESIDENT