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RIVERWOOD PLANTATION
MASTER DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS

DEVELOPED BY
RIVERWOOD LAND, LLC
MARTINEZ, GEORGIA

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RIVERWOOD PLANTATION

MASTER DECLARATION

OF

COVENANTS, CONDITIONS AND RESTRICTIONS

THIS MASTER DECLARATION is made by Riverwood Land, LLC, a Georgia limited liability company, hereinafter referred to as "Declarant".

WHEREAS, Declarant is the developer of Riverwood Plantation located in Columbia County, Georgia; and

WHEREAS, Riverwood Plantation will be comprised of various residential and commercial properties; and

WHEREAS, Declarant desires to provide for the preservation and enhancement of the property values and quality of life in Riverwood Plantation, and the health, safety and general welfare of the owners of the properties therein;

NOW, THEREFORE, Declarant hereby declares that the real property described on Exhibit "A" attached hereto shall be held, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements and other provisions of this Master Declaration which shall run with the title to the land in Riverwood Plantation. This Master Declaration is binding upon and shall inure to the benefit of Declarant, its successors and assigns, and all persons and entities who may hereafter acquire any right, title or interest in said real property or any portion thereof.

ARTICLE I DEFINITIONS

Unless the context clearly requires otherwise, the following definitions shall control the interpretation of this Master Declaration:

Section 1 Declarant. "Declarant" means Riverwood Land, LLC, a Georgia limited liability company. No successor or assignee of Declarant shall have any rights or obligations of Declarant hereunder unless they are specifically set forth in the instrument of succession or assignment or pass by operation of law.

Section 2: Riverwood Plantation. "Riverwood Plantation" and "Riverwood" each mean all real property which is subject to this Master Declaration, including the real property described on Exhibit "A" attached hereto, and all Additional Property. "Additional Property" means real property which hereafter is made subject to this Master Declaration. "Neighborhood" means each separate residential area in Riverwood comprised of distinct types or densities of Residences and having separate Neighborhood status. Declarant may designate in any Supplemental Declaration that the real property described therein constitutes a separate Neighborhood or that it is being added to an existing Neighborhood.

Section 3. Development Plan and Period. "Development Plan" means the non-binding, general scheme of intended uses of the land proposed for inclusion in Riverwood Plantation as shown on the Riverwood Plantation Conceptual Plan, prepared by Cranston, Robertson & Whitehurst, P.C., dated July 6, 1998. The Development Plan may be amended by Declarant at any time during the Development Period. "Development Period" means that period commencing on the date hereof and ending when Declarant has sold or committed to a separate scheme of development all land in the Development Plan.

Section 4. Associations and Boards. "Association" means Riverwood Plantation Association, Inc., a Georgia nonprofit corporation. The Association is the master property owners' association for Riverwood Plantation. "Board" means the Board of Directors of the Association, the governing body having charge of the affairs of the Association. "ARB" means the Riverwood Plantation Architectural Review Board, the governing body having exclusive jurisdiction over all construction in Riverwood. "Neighborhood Association" means a nonprofit corporation established as the property owners' association for a Neighborhood in Riverwood.

Section 5. Documents. "Master Declaration" means this Riverwood Plantation Master Declaration of Covenants, Conditions and Restrictions. "Supplemental Declaration" means any recorded document which subjects Additional Property to the provisions of this Master Declaration, establishes a Neighborhood in Riverwood, or amends this Master Declaration in any other respect. "Master Documents" means this Master Declaration and all Supplemental Declarations, collectively. "Articles" means the Articles of Incorporation of the Association. "Bylaws" means the Bylaws of the Association.

Section 6. Rules and Regulations. "Board Rules" means all rules and regulations promulgated or adopted by the Board which govern the Association or the use and enjoyment of the properties in Riverwood. "Planning Criteria" means the Riverwood Plantation Planning, Construction and Development Criteria promulgated by the ARB. "Master Rules" means the Board Rules, all decisions of the Board, the Planning Criteria, and all decisions of the ARB, collectively.

Section 7. Parcels and Residences. "Parcel" means a parcel of land or other recognized real property interest capable of separate ownership shown on any recorded plat or plan of Riverwood and which is subject to this Master Declaration, excluding Common Property and property owned by governmental agencies and utility companies. "Residence" means a dwelling in Riverwood designed for single family residential occupancy, including a house, patio home, townhouse, zero lot line dwelling, condominium unit, cooperative unit, apartment unit, and any other form of single family residential occupancy or ownership now or hereafter created.

Section 8. Owners and Members. "Owner" means the owner, whether one or more persons or entities, of a Parcel in Riverwood. "Member" means a member of the Association. The Owner of a Parcel in Riverwood shall be, by virtue of such ownership, a Member of the Association. "Owner" and "Member" are synonymous and are used interchangeably herein. When a Parcel is owned by more than one person or entity, all such persons and entities, collectively, are deemed to be one Owner and one Member. The owner of a life estate in a Parcel is deemed to be the Owner as long as the life estate exists. Declarant is an Owner as long as Declarant owns one or more Parcels in Riverwood. A Mortgagee is not an Owner. Unless the Association has satisfactory proof to the contrary, ownership of a Parcel is deemed to be vested in accordance with the real estate records of the Clerk of Superior Court of Columbia County, Georgia.

Section 9. Common Property and Maintenance Areas. "Common Property" means all real property designated as Common Property and owned by either the Association or the

Neighborhood Associations. "Neighborhood Property" means Common Property devoted exclusively or substantially, as determined by the Board, to the use and enjoyment of the Owners in a particular Neighborhood. "Maintenance Area" means an area of land, other than Common Property, maintained by the Association or a Neighborhood Association. "Neighborhood Maintenance Area" means a Maintenance Area devoted exclusively or substantially, as determined by the Board, to the use and enjoyment of the Owners in a particular Neighborhood. Maintenance Areas may be established by any of the Master Documents or any other recorded document executed by Declarant, any recorded plat of Riverwood, a contract to which the Association is a party, or a decision of the Board.

Section 10. Common Expenses. "Common Expenses" means the expenses of operating the Association in the performance of its duties, including the costs incurred for the maintenance of Common Property and Maintenance Areas, operational expenses, insurance, utilities, taxes, repairs, payment of deficits from prior years, and reasonable reserves, all as may be deemed necessary and appropriate by the Board; provided, however, that Common Expenses shall not include Limited Common Expenses. "Limited Common Expenses" means expenses incurred by the Association for the maintenance of Neighborhood Property and Neighborhood Maintenance Areas, and for services rendered or expenses incurred which are primarily for the benefit of the Owners within particular Neighborhoods.

Section 11. Miscellaneous Definitions. "Mortgage" means a mortgage, deed to secure debt, deed of trust, or other instrument which secures an obligation and which conveys a lien upon or security title to real property. "Mortgagee" means the holder of a Mortgage. "Real property" and "land" each include all improvements located thereon or therein. To "maintain" and the "maintenance" of real property each include the operation, management, maintenance, repair, improvement, beautification and landscaping of the same. "Laws" includes laws, ordinances, rules and regulations of federal, state and local governments and their agencies. "Real estate records" the real estate records of the Clerk of Superior Court of Columbia County, Georgia.

ARTICLE II

PROPERTY SUBJECT TO MASTER DECLARATION

Section 1. Property Subject to Master Declaration. The real property described on Exhibit "A" attached hereto shall be held, sold, conveyed and occupied subject to the provisions of this Master Declaration.

Section 2. Annexation of Additional Property. During the Development Period, Declarant shall have the right, but not the obligation, to annex to Riverwood, as Additional Property, other real property within the Development Plan without the approval of any person or entity.

Section 3. Method of Annexation. Annexation of Additional Property shall be accomplished by recording a Supplemental Declaration which subjects the Additional Property to the operation of this Master Declaration and the jurisdiction of the Association. The Supplemental Declaration may contain provisions to reflect the different character of the Additional Property or the various style characteristics and development approaches being implemented, all of which may be significantly different from the development of the real property described on Exhibit "A" attached hereto and other Additional Property.

Section 4. Non-Binding General Plan of Development. The community contemplated by this Master Declaration, including land subject to annexation, is a mixed use planned development and includes a variety of development types and values. The Development Plan is the dynamic design for the development of Riverwood and may be amended by Declarant at any time during the Development Period. The Development Plan shall not bind Declarant to annex any land to Riverwood, to annex land in any particular sequence or configuration, or to improve any land in accordance therewith. The Master Documents do not bind or encumber any land in the Development Plan prior to annexation thereof. Land not annexed may be subjected to another independent declaration or scheme of development, even though such land is encompassed by the Development Plan. No person or entity shall have any rights to or jurisdiction over any unannexed land, unless expressly granted to them.

Section 5. Merger or Consolidation. Upon a merger or consolidation of the Association or a Neighborhood Association with another association, the properties, rights and obligations of the Association or the Neighborhood Association may be transferred to the surviving or consolidated association, or alternatively, the properties, rights and obligations of another association may be added to the properties, rights and obligations of the Association or the Neighborhood Association as the surviving association. The surviving or consolidated association may administer the provisions of the Master Documents, together with the covenants, conditions and restrictions established upon any other properties, as one scheme. No merger or consolidation, however, shall revoke or change any provisions of the Master Documents.

Section 6. Commercial Properties. This Master Declaration relates primarily to the development of Riverwood for residential purposes; however, Riverwood is a mixed use planned development which contemplates various types of residential, commercial, recreational and other

uses. This Master Declaration may be amended to include uses other than residential for land not within a Neighborhood.

ARTICLE III THE ASSOCIATION

Section 1. Powers. The Association shall have all the powers of a nonprofit corporation organized under the laws of the State of Georgia, subject only to the limitations expressly set forth in the Master Documents, the Articles and the Bylaws. The Association may acquire, hold and dispose of real and personal property of every nature. The Association shall accept the Common Property and any other real or personal property conveyed to it by Declarant. The Association shall have the power to do any and all lawful things which may be authorized, assigned, required or permitted to be done by the Master Documents, the Articles and the Bylaws, and to do and perform any and all acts which may be necessary or proper for, or incidental to, the exercise of any of the duties or powers of the Association for the benefit of the Owners, and for the maintenance of the Common Property and the Maintenance Areas.

Section 2. Board of Directors. The Board shall manage the affairs of the Association. Unless otherwise provided, any right, power or authority granted to the Association may be exercised by the Board, and any duty or obligation of the Association shall be performed by the Board. Subject to the rights of Declarant and the Owners set forth herein, the Association, is responsible for the exclusive management and control of the Common Property and the Maintenance Areas, except as otherwise provided herein. The Board shall have the authority to adopt and the power to enforce reasonable rules and regulations to govern the Association and the use and enjoyment of the properties in Riverwood (the "Board Rules"). The Board Rules may impose standards not contained in or more strict than the Master Documents, if consistent with the general intent thereof and not in conflict with the Master Documents, the Articles, the Bylaws or the Planning Criteria. Any specific authority herein granted to the Board to adopt rules for specific purposes shall not limit its general authority hereunder to adopt rules. The Board Rules shall be observed by all Owners and their tenants, occupants and guests. The Board may waive a violation of the Board Rules, if Board determines such violation to be minor or insubstantial.

Section 3. Election of Board. Declarant shall have the right to elect and remove members of the Board during the Development Period, unless Declarant sooner waives this right. Thereafter, the Board shall be elected and removed by the Members in accordance with the Bylaws.

Section 4. Membership. The Owner of each Parcel in Riverwood shall be a Member of the Association. When a Parcel is owned by more than one person or entity, all such persons and entities, collectively, are deemed to be one Member. Membership in the Association is appurtenant to the Parcel giving rise to such membership and shall automatically be transferred to the new Owner upon transfer of title to a Parcel. Transfer of membership by any other means shall be void.

Section 5. Voting Rights. Members shall be entitled to one vote in the Association for each Parcel owned in Riverwood. When a Parcel is owned by more than one person or entity, all such persons and entities shall, collectively, cast only one vote. Fractional votes shall not be allowed. If only one of such persons or entities is present or represented by proxy at a meeting of the membership, that person or entity is entitled to cast the vote relating to such Parcel. If more than one of such persons or entities are present or represented by proxy, the vote relating to such Parcel shall be cast only in accordance with their unanimous agreement; otherwise, they shall lose their right to vote on the matter in question. Unanimous agreement is conclusively presumed if any one of them purports to cast the vote relating to such Parcel without protest being made prior to the conclusion of the voting by any of the others to the person presiding over the meeting.

Section 6. Declarant's Veto Power. Declarant shall have the power to veto all actions of the Association and the Board during the Development Period, unless Declarant sooner waives this right. As long as Declarant has veto power under this section, no action authorized by the Association or the Board shall become effective, nor shall any action, policy or program be implemented, unless and until:

(a) Declarant shall have been given notice of each meeting of the Members and the Board by certified mail return receipt requested or by personal delivery, at the address it has registered from time to time with the Secretary of the Association, which notice otherwise complies with the provisions of the Bylaws relating to regular and special meetings of the Members and the Board, and which notice shall set forth with reasonable particularity the agenda to be followed at said meeting; and

(b) Declarant shall have power to veto any action, policy or program authorized or to be taken by the Association, the Board, or any of the Members. Except as set forth in Subsection (c), Declarant's veto must be exercised by Declarant at or before the meeting to consider the proposed action or within ten days thereafter. Declarant's veto power shall not include the authority to require any affirmative action of the Association or the Board; and

(c) Declarant shall have been given notice by certified mail return receipt requested or by personal delivery of any action, policy or program to be implemented without the formality of a meeting at least ten days prior to its implementation. Declarant shall have ten days after receipt of such notice to exercise its veto.

Section 7. Neighborhood Associations. Neighborhood Associations shall, in all respects, be and remain subordinate to the Association. The Board may require a Neighborhood Association to take action which is consistent with the general intent of the Master Documents and the Master Rules, and the Board may set aside action taken by a Neighborhood Association, or its directors, officers, committees, members, managers, contractors, agents or employees, even though such action is consistent with such general intent. Declarant may establish a Neighborhood Association to manage the affairs of a Neighborhood, and to levy assessments unique to the Neighborhood and the Residences located therein. The rights, powers, duties and obligations of a Neighborhood Association, the requirements of membership therein, and the obligations of the members thereof shall be set forth in a Supplemental Declaration, and the Articles of Incorporation and Bylaws of the Neighborhood Association. If a Neighborhood Association is established, the Owners in the Neighborhood shall be members of both the Association and the Neighborhood Association. A Neighborhood Association may establish rules and regulations applicable to its Neighborhood which may impose standards not contained in or more strict than the Master Documents and the Master Rules, if consistent with the general intent thereof and not in conflict therewith.

Section 8. Neighborhood Assessments. When authorized by a Supplemental Declaration, the Owners in a Neighborhood may be required to pay Neighborhood Assessments levied by the Neighborhood Association which shall be in addition to the assessments levied by the Association. Neighborhood Assessments may be levied only against the Parcels and Owners in a particular Neighborhood. Unless the Board permits otherwise, Neighborhood Assessments shall be collected by the Association and transferred to the Neighborhood Association within sixty (60) days of receipt thereof or applied to any indebtedness owed by the Neighborhood Association to the Association. The Board shall have the same rights to enforce and collect Neighborhood Assessments as the Neighborhood Association.

ARTICLE IV
COMMON PROPERTY

Section 1. Title. Title to all Common Property shall be conveyed to and held by the Association, unless the Board determines that a Neighborhood Association should own some or all of the Neighborhood Property within its Neighborhood. In such case, the Association or Declarant may convey such Neighborhood Property to the Neighborhood Association upon such terms and conditions as the Board deems appropriate, including the right of the Board to require its conveyance back to the Association at any time thereafter. Declarant may convey certain portions of the Common Property and retain others until the improvements thereon are completed, and until, in the opinion of Declarant, the Association or the appropriate Neighborhood Association is able to maintain the same. Unless the Board approves otherwise, all Common Property shall be free and clear of any Mortgages or other monetary obligations at the time of conveyance. If any Common Property is conveyed subject to a Mortgage or other monetary obligation, such Mortgage or monetary obligation shall relate directly to improvements made to such Common Property.

Section 2. Maintenance. The Association shall maintain the Common Property and the Maintenance Areas, and all stormwater improvements and facilities in Riverwood and the Maintenance Areas which are not the responsibility of a governmental agency, in a clean and attractive condition, and in good order and repair; provided, however, that the Association may require a Neighborhood Association to maintain, at the Neighborhood Association's expense, some or all of the following in a clean and attractive condition, and in good order and repair: (a) its Neighborhood Property, regardless of ownership; (b) its Neighborhood Maintenance Areas; (c) and the stormwater improvements and facilities in the Neighborhood or its Neighborhood Maintenance Areas which are not the responsibility of a governmental agency.

Section 3. Use and Enjoyment. The Owners and the Association shall have a nonexclusive right, privilege and easement of use and enjoyment in and to the Common Property (excluding Neighborhood Property) which are appurtenant to and shall pass with the title to every Parcel in Riverwood. Said rights shall include: (a) a right-of-way for ingress and egress vehicular and pedestrian traffic, as appropriate, in, through, over, under and across the streets, roads, trails and walks therein for all lawful purposes; and (b) rights and easements of drainage across or through stormwater improvements, and to connect with, maintain and make use of utilities therein or located in or along the adjacent roads and streets.

Section 4. Use of Neighborhood Property. With respect to each Neighborhood containing Neighborhood Property, the Association, the Owners in the Neighborhood, and the Neighborhood Association shall have a nonexclusive right, privilege and easement of use and enjoyment in and to the Neighborhood Property in the Neighborhood which are appurtenant to and shall pass with the title to every Parcel in the Neighborhood. Said rights shall include: (a) a right-of-way for ingress and egress for vehicular and pedestrian traffic, as appropriate, in, through, over, under and across the streets, roads, trails and walks therein for all lawful purposes; (b) rights and easements of drainage across or through stormwater improvements, and to connect with, maintain and make use of utilities therein or located in or along the adjacent roads and streets.

Section 5. Extent of Rights. The right to use and enjoy the Common Property, including the Neighborhood Property, is subject to the following:

(a) The provisions of the Master Documents, the right of the Association and any Neighborhood Association having jurisdiction thereof to reasonably limit access thereto and the use and enjoyment thereof, and all applicable laws.

(b) The right of Declarant prior to its conveyance, and the Association after its conveyance, to grant or dedicate to any Owner, governmental agency or utility company, and to reserve, easements and rights-of-way, in, through, under, over and across any portion of the Common Property for the maintenance of utilities and drainage facilities, and for the completion of the development.

(c) The right of Declarant prior to its conveyance, and the Association after its conveyance, to grant nonexclusive, permanent rights of use and enjoyment in the Common Property to the owners and occupants of land encompassed by the Development Plan, but not located within Riverwood, in exchange for services, payments or other consideration, which may include the granting of reciprocal easements to use and enjoy other land within the Development Plan.

Section 6. Easements Reserved to Declarant. Declarant hereby reserves the following easements, rights and privileges in, through, over, upon and under the Common Property during the Development Period: (a) easements to connect with, make use of, construct and maintain utilities, drainage facilities, services and materials within the Common Property, or within or along the adjacent roads and streets, which are beneficial for the completion, marketing, use and enjoyment of Riverwood, and to grant the right of use thereof to others; (b) the right to grade, landscape, cut and remove trees, bushes and shrubbery, and take any other action reasonably necessary to provide

economical and safe installation of utilities, drainage facilities and services, and to maintain reasonable standards of health, convenience, safety and appearance; (c) the right to locate thereon wells, pumping stations, and irrigation systems and lines; (d) the right and easement of ingress and egress for purposes of development, construction and marketing of Riverwood; and (e) such other easements and rights as may be reasonably necessary to develop Riverwood in an orderly and economical manner; provided, however, that this section shall not obligate Declarant to provide or maintain any such utility, facility or service. The easements and rights herein reserved shall continue in existence in favor of Declarant after conveyance of the Common Property to the Association or the Neighborhood Associations.

ARTICLE V EASEMENTS.

Section 1. Recorded Plats. The properties in Riverwood are subject to the drainage and utility easements and other matters shown and noted on the recorded plats of Riverwood. No person, entity or activity shall interfere with the proper use or function of any easement, or damage or interfere with the installation, maintenance and operation of utilities, or change the direction or affect the flow of stormwater.

Section 2. Emergency Entry. The Association may enter upon a Parcel and the Residence thereon in an emergency for the protection of persons and property in Riverwood. This right of entry may be exercised by the Association and policemen, firemen, emergency medical technicians and similar emergency personnel in the performance of their duties. This right of entry shall only include the right of the Association to enter upon a Parcel and the Residence thereon to inspect or cure any condition which may increase the possibility of a fire or other hazard in the absence of the Owner or occupant thereof, or in the event such Owner or occupant fails or refuses to cure the hazardous condition.

Section 3. Encroachments. If any portion of a Residence, building, fence, party wall, roadway, walkway, parking area, driveway, utility, water line, sewer line, sprinkler system, or other structure or improvement as originally constructed encroaches on a Parcel or the Common Property, a perpetual nonexclusive easement shall exist for the continuing use and maintenance of such encroachment, and any repair or replacement thereof if constructed in substantial conformity with the original encroachment. No person or entity shall maintain any action for the removal of the encroachment or for damages resulting therefrom.

Section 4. Beneficiaries of Easements. The benefit of any easement, license, right or privilege granted to an Owner hereunder may be granted to the Owner's tenants, occupants and guests for the duration of their tenancies or visits, but the same are not intended nor shall they be construed as creating any rights in or for the benefit of the general public.

ARTICLE VI COVENANT FOR ASSESSMENTS

Section 1. Lien; Personal Obligation; Exemptions. Each Owner covenants and agrees to pay to the Association the annual assessments, special assessments and individual assessments established herein and levied by the Association against the Owner's Parcel. The Common Property and Parcels owned by Declarant which have been subject to this Master Declaration for less than five years shall be exempt from assessments. No other land in Riverwood shall be exempt from assessments, although the commencement of assessments may be postponed as provided in Section 3(e). Each assessment, together with all other charges authorized pursuant to Article XIV, Section 4, which are deemed a part of the assessment, shall be a charge and a continuing lien upon the Parcel against which the assessment is made from the date the assessment became due, and shall be the personal obligation of the Owner of the Parcel at the time the assessment became due. Such lien shall be prior to all other liens and encumbrances hereafter created except taxes and assessments levied by a governmental agency, and Mortgages described in Section 8. The personal obligation for delinquent assessments shall not pass to the Owner's successors-in-title unless expressly assumed by them, but no such assumption shall relieve the Owner's personal liability therefor. The obligations of this article shall bind each Parcel and each Owner regardless of whether ownership was acquired by conveyance or operation of law, and regardless of whether so expressed in the conveyance or other document of title. No Owner may avoid liability for assessments by abandonment, nonuse or waiver of the use or enjoyment of the Owner's Parcel, the Common Property or any portions thereof, or otherwise.

Section 2. Purpose of Assessments. Assessments levied by the Association may be used to promote the health, safety and general welfare of Riverwood and the Owners and occupants thereof, to perform the duties and exercise the powers conferred upon the Association, and for such other purposes deemed necessary or appropriate by the Association or the Board, including: (a) operating expenses of the Association; (b) maintenance and lighting of entry features, project identification signs, access ways, and easement areas (whether dedicated to the public or private); (c) traffic control if not performed by a governmental agency, traffic control devices, and directional markers; (d) real and personal property taxes and assessments levied or assessed against the Association or the

Common Property; (e) maintenance of the Common Property and the Maintenance Areas, and all streets and roadways thereon which are not maintained by a governmental agency; (f) recreational and social activities; (g) deficits previously incurred by the Association, if any, in making capital improvements to or upon the Common Property or the Maintenance Areas, or in furnishing services to or for the Members; (h) reasonable reserves for future repairs and replacements; and (i) any other thing deemed necessary or appropriate to keep Riverwood safe and attractive, to preserve or enhance the value of the properties therein, or which may be of benefit to the Owners and occupants thereof.

Section 3. Annual Assessments.

(a) **Operating Budget.** The Board shall, at least forty-five (45) days prior to the end of the Association's fiscal year, prepare and approve an operating budget for the next year which reflects the estimated gross receipts and the estimated Common Expenses and Limited Common Expenses of the Association, including any capital budget items pursuant to Subsection (b). The operating budget shall include a "Neighborhood Budget" for each Neighborhood which shows the estimated Limited Common Expenses for the Neighborhood; and the proposed assessment to be levied against the Parcels in the Neighborhood to pay for such Limited Common Expenses.

(b) **Capital Budget.** The Board shall annually prepare a capital budget which shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required annual capital contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Association, as shown on the capital budget, with respect to both amount and timing. The annual capital contribution required shall be fixed by the Board and included in the operating budget.

(c) **Allocation of Assessments.** Those portions of the operating budget reflecting Limited Common Expenses shall only be assessed against the nonexempt Parcels in the Neighborhoods to which such expenses are applicable. The remainder of the operating budget shall be assessed against all nonexempt Parcels in Riverwood. Assessments to pay for Common Expenses in Riverwood and assessments to pay for Limited Common Expenses within a Neighborhood shall each be levied at a uniform rate for each Parcel, unless a reasonable basis exists to deviate therefrom. The type of Residences shall each be considered a reasonable basis to so deviate.

(d) **Adoption of Budget.** The Board shall cause a copy of the proposed operating and capital budgets and the proposed annual assessment to be levied for the following year, broken down if necessary, according to type of Parcel, and according to Neighborhood, to be sent to each Owner

at least forty-five (45) days prior to the end of the Association's fiscal year. The budget and the assessment shall become effective unless and until disapproved by a majority of the total membership (not just those present and voting) at a special meeting of the Members held within thirty (30) days after the proposed budget and assessment are sent. Until such time as a new budget is adopted, the budget in effect for the preceding year shall continue in effect. The Board may propose successive budgets, subject to the same notice and disapproval provisions, until a new budget is approved. A budget approved after the beginning of the fiscal year shall not be retroactive unless the notice to the Owners provides therefor.

(e) **Commencement and Payment of Annual Assessments.** Annual assessments for the Parcels shown on Exhibit "A" attached hereto shall commence on the first day of the first full calendar month following the recording of this Master Declaration. The annual assessment for Parcels in any Additional Property shall commence upon the first day of the first full calendar month after the recording of the applicable Supplemental Declaration. The annual assessment for Parcels which become subject to annual assessments during an assessment year shall be prorated and paid based on the number of whole months remaining in the assessment year. Notwithstanding the foregoing, the Board may postpone the commencement of annual assessments levied against a Parcel for a reasonable time after the sale thereof by Declarant to permit the construction of the Residence thereon.

(f) **Payment.** Annual assessments shall be paid in full prior to the beginning of the assessment year, unless the Board allows installments to be paid during the assessment year. In the event of installment payments, the Board may charge a uniform rate of interest upon the amounts remaining unpaid at a rate deemed appropriate by the Board, but not greater than the interest rate on judgments then in effect in the State of Georgia. The Board may accelerate the unpaid balance of any assessment upon default in the payment of any installment thereon.

Section 4. Special Assessments. In addition to the annual assessments established hereunder, the Board may levy at any time a special assessment for the purpose of defraying, in whole or in part, the cost of any unexpected construction, reconstruction, repair or replacement of a capital improvement upon the Common Property or the Maintenance Areas, including the necessary fixtures and personal property related thereto, for the purpose of covering any insufficiency of assessments to fund the actual monetary needs of the Association over and above the budgeted annual assessments, or for any other use or purpose deemed appropriate by the Board; provided that any such special assessment is approved by a majority of the votes of the Members present and voting in person or by proxy at a meeting called for said purpose. Special assessments to be paid only by the

Owners in a particular Neighborhood shall require only the approval of a majority of the votes of the Members within the Neighborhood who are present and voting in person or by proxy at a meeting called for said purpose. The Board shall determine the date when special assessments are to be paid.

Section 5. Individual Assessments. The Association may levy an individual assessment against a Parcel and its Owner for costs incurred by the Association resulting from an Owner's failure to maintain the Owner's Parcel in accordance with the Master Documents or the Master Rules, or to reimburse the Association for any damage to any Common Property or Maintenance Area caused by an Owner or the Owner's tenants, occupants or guests, or for any other purpose permitted by the Master Documents. An individual assessment shall be paid within thirty (30) days after notice thereof is sent to the Owner.

Section 6. Initiation Fees. An initiation fee for a Parcel may be established by the Board, and shall be paid to the Association at the time the Residence thereon is first occupied, or at the closing of the first sale of the Parcel subsequent to issuance of a certificate of occupancy or a satisfactory final inspection from the appropriate governmental agency, whichever occurs first.

Section 7. Status Certificates. The Association shall, upon request and for a reasonable charge, furnish a certificate signed by an authorized representative of the Association setting forth the payment status of assessments on a specific Parcel. A certificate of the Association as to the status of assessments on a Parcel is binding upon the Association as of the date of its issuance.

Section 8. Subordination of Lien to Certain Mortgages. The lien of the assessments shall be subordinate to the lien of any Mortgage or Mortgages now or hereafter placed upon any Parcel in Riverwood originated by any lender regularly engaged in financing the purchase, construction, or improvement of real estate, including but not limited to any commercial or savings bank, savings and loan association, trust company, credit union, industrial loan association, insurance company, pension fund, or business trust, including a real estate investment trust, as well as any assignee of loans made by any such lender, any private or governmental institution or agency which has insured the loan of any such lender, or any combination of any of the foregoing entities; provided, however, that a sale or transfer of any Parcel pursuant to a decree of foreclosure, nonjudicial foreclosure, or proceeding in lieu of foreclosure, shall not relieve such Parcel from liability or from the lien for assessments thereafter levied. No Mortgagee shall be responsible for the collection of assessments from an Owner.

ARTICLE VII ARCHITECTURAL CONTROL

Section 1. Architectural Control. Riverwood is subject to architectural and environmental review by the Riverwood Plantation Architectural Review Board (the "ARB") in accordance with this article and the Riverwood Plantation Planning, Construction and Development Criteria (the "Planning Criteria"). The ARB shall have exclusive jurisdiction over all original construction in Riverwood, including site work, landscaping, utility extensions, drainage improvements, paving, the construction of Residences, buildings, fences, walls, driveways, parking areas and all other physical or structural construction and improvements, and all subsequent reconstruction, modifications, additions, alterations and repairs, including the alteration of the exterior of any structure or improvement, and existing landscaping. No such construction, reconstruction, modification, addition, alteration or repair may be commenced or performed until the plans and specifications therefor (the "proposed plans") have been submitted to and approved in writing by the ARB. The Association may charge a reasonable fee for the ARB's review of proposed plans. Nothing in this article shall be construed to limit the right of an Owner to finish or alter the interior of the Owner's improvements without approval of the ARB.

Section 2. Architectural Review Board. The ARB shall consist of no less than three members who are not required to be Owners or occupants of Riverwood. A majority vote of the members of the ARB is required for a decision of the ARB, provided that a majority of the ARB may appoint one of its members to act on behalf of the entire ARB and the decisions of such appointee shall bind the ARB. The ARB may delegate (retaining the right to withdraw) some or all of the powers and duties of the ARB to separate committees by Neighborhood or groups of Neighborhoods, particularly when all or substantially all of the Residences have been constructed in a Neighborhood. Declarant shall have the right to appoint and remove members of the ARB during the Development Period, unless Declarant sooner waives this right. Thereafter, members of the ARB shall be elected and removed by the Board. Declarant may assign its power of appointment and removal to any person or entity, subject to such terms and conditions as Declarant may impose. Members of the ARB appointed by Declarant shall receive no compensation from the Association. Unless the Board determines otherwise, members of the ARB elected by the Board shall serve without compensation.

Section 3. The Planning Criteria. The ARB shall promulgate the Planning Criteria which may include any matters deemed appropriate by the ARB, including the size and location of various types of Residences and buildings, the installation of utilities and drainage facilities, landscaping, fence

design, and recreational improvements. The Planning Criteria may impose standards not contained in or more strict than the Master Documents, if consistent with the general intent thereof and not in conflict therewith. Different Planning Criteria may be adopted and enforced for improvements in different portions of Riverwood. The burden shall be on the applicant to know and comply with the Planning Criteria.

Section 4. Approval of Plans. Proposed plans shall show the nature, size, workmanship, design, signs, shape, finished grade elevation, height, materials and color of the proposed construction, and shall contain a detailed landscape plan and a plot plan showing the location of the proposed construction in relation to boundaries and adjacent improvements. Two sets of the proposed plans shall be submitted to the ARB by the Owner prior to applying for a building permit. One copy of the plans shall become the property of the Association. Proposed plans shall be approved or disapproved within forty-five (45) days after receipt by the ARB. Approval or disapproval shall be in writing and shall be sent to the Owner, together with the other copy of the plans. Whenever the ARB disapproves proposed plans, the disapproval shall state the reasons for such disapproval. The decision of the ARB shall be final and binding. Failure of the ARB to respond in writing to the proposed plans within forty-five (45) days after receipt shall be deemed an approval thereof, provided that the Owner has satisfactory proof that the proposed plans were received by the ARB.

Section 5. Disapproval. Approval of the proposed plans may be withheld because of noncompliance with the Master Documents or the Planning Criteria, or the reasonable dissatisfaction of the ARB with any of the following: the location of the proposed improvements; the elevation, color scheme, finish, design, proportions, architecture, drainage plan, shape, height, style or appropriateness of the proposed structures or altered structures, or the materials to be used therein; the topography or landscaping, including the planting, size, height and location of vegetation on the property; proposed fences or enclosures; or because of its reasonable dissatisfaction with any other matters or things which, in the judgment of the ARB, including purely aesthetic reasons, would render the proposed improvements inconsistent with the general intent of the Development Plan or the Planning Criteria or inharmonious with the existing or proposed development of Riverwood.

Section 6. Adherence to Plans. All construction shall adhere strictly to the plans submitted to and approved by the ARB. It shall be conclusively presumed that the location and exterior configuration of any Residence, building, structure or other improvement placed or constructed in accordance with the approved plans do not violate the Master Documents or the Planning Criteria. If after plans have been approved, the improvements are altered, erected or maintained other than as approved by the ARB, such alteration, erection and maintenance shall be deemed to have been

undertaken without the approval of the ARB. After the expiration of one year from the date of completion of any improvement, addition or alteration, the same shall, in favor of purchasers and encumbrances in good faith and for value, be deemed to comply with the Master Documents and the Planning Criteria, unless a notice of noncompliance executed by any member of the ARB is recorded in the real estate records, or legal proceedings shall have been instituted to compel compliance. The approval by the ARB of any plans shall not be deemed a waiver of its right to object to any of the features embodied therein which may be embodied in any subsequent plans submitted to it, nor shall its approval be construed to signify that the plans are structurally safe or that they conform to applicable building codes.

Section 7. Variances. The ARB may authorize variances from strict compliance with the architectural provisions of the Master Documents and the Planning Criteria, including restrictions upon height, size or placement of structures, when circumstances such as topography, natural obstructions, or environmental considerations may require. If such variances are granted, no violation of the Master Documents shall be deemed to have occurred with respect to the matter for which the variance is granted. The granting of a variance shall not operate to waive any of the provisions of the Master Documents or the Planning Criteria for any purposes except with respect to the particular Parcel and the particular provision addressed by the variance, nor shall it affect in any way the Owner's obligation to comply with all laws affecting the use of the Owner's Parcel.

Section 8. Waiver of Liability. Declarant, the Association, and the ARB shall not be liable in damages to anyone submitting plans to the ARB, or to any Owner or occupant of Riverwood by reason of mistake in judgment, negligence or nonfeasance arising out of or in connection with the approval or disapproval of any plans or the failure to approve any plans, nor shall they be liable for any defects in any plans approved by the ARB, or for any structural or other defect in any work done according to such plans. Every person who submits plans for approval agrees, by submission of such plans, and every Owner and occupant of a Parcel agree, by acquiring title thereto or an interest therein, not to bring any action, proceeding or suit to recover any such damage. Approval of any proposed plans shall not be deemed a warranty, representation or covenant that such plans, or any action taken pursuant thereto or in reliance thereof, comply with applicable laws.

Section 9. Term of Approval. Approval of plans by the ARB shall be effective for a period of one year from the date the approval is granted, or one year from the expiration of the forty-five (45) day period specified in Section 4 where approval is not expressly granted or denied. If construction has not commenced within said one year period, the approval shall expire and no construction shall thereafter commence without further approval from the ARB.

ARTICLE VIII
EXTERIOR MAINTENANCE

Section 1. Owners' Responsibility. Except as otherwise provided herein below, each Owner shall maintain all landscaping and all improvements on the Owner's Parcel, including but not limited to the exterior of all structures, all utility lines and drainage facilities, and all other improvements located outside, aboveground or underground in a clean and attractive condition, and in good order and repair consistent with the approved plans and specifications therefor. The Association may provide such maintenance if the Owner fails to do so; subject, however, to the following provisions. Prior to performing any maintenance on an Owner's Parcel, the Board, or a committee appointed by the Board, shall determine that the Parcel is in need of maintenance. Except in an emergency, prior to any maintenance work, the Board shall notify the Owner that unless the specified maintenance is commenced within fifteen (15) days and thereafter diligently pursued to completion, the Association may cause the maintenance to be performed and charge the cost thereof to the Owner. Upon the failure of the Owner to act within said period of time or to thereafter diligently pursue the completion of the required maintenance, the Association may enter upon the Parcel to cause such maintenance to be performed. The Association may: paint, repair, replace and care for exterior building surfaces, roofs, gutters and downspouts; clean and resurface paved access ways and parking areas; trim and care for trees, shrubs, grass, walks and other landscaping and drainage improvements; and provide general cleanup and removal of debris. The Association shall not be liable to the Owner or any other person for trespass or injury to person or property as a result of such actions unless caused by gross negligence or intentional wrongdoing. The cost of any maintenance incurred by the Association under this section shall constitute an individual assessment against applicable Parcel and Owner. Notwithstanding anything in this section to the contrary, an Owner shall not be required to maintain any improvements for which the Board may make specific exception such as for the maintenance of the exterior of condominiums and townhouses.

Section 2. Access at Reasonable Hours. For the purpose of performing the maintenance authorized by this article, the Association may enter upon any Parcel and the exterior of any improvements thereon during reasonable hours on any day except Sundays and holidays, except that in an emergency, entry may be made at any time on any day.

ARTICLE IX
INSURANCE AND FIRE PROTECTION

Section 1. Association Insurance. The Association shall maintain public liability insurance covering the Common Property, the Maintenance Areas, Declarant, the Association and the Members for all damage or injury caused by the negligence of Declarant, the Association, or any Member. The Association may maintain, if reasonably available, liability insurance for its directors and officers. The Association may also maintain hazard insurance for insurable property owned or maintained by the Association, and all other types of insurance coverage deemed appropriate by the Board. All insurance maintained by the Association shall be issued in such amounts and upon such terms and conditions deemed appropriate by the Board. The Association shall also have the discretion to self-insure against any risk. All insurance proceeds payable to the Association shall be used or disbursed in a manner deemed appropriate by the Board. The Board may require some or all of the Neighborhood Associations to purchase insurance in common with the Association. In such event, the Board shall prorate the premiums therefore between the various associations on a basis it deems equitable, and the Neighborhood Associations shall pay their prorata shares to the Association.

Section 2. Fire Protection. The Owner of each Residence in Riverwood shall pay the subscription fee for fire protection when due to the fire department providing service to Riverwood.

ARTICLE X
DESTRUCTION OF RESIDENCES

Section 1. Total Destruction. In the event of the total destruction of a Residence, the Owner thereof shall promptly eliminate any unsafe condition and clear the Parcel of debris. The Owner may leave the Parcel in a clean, orderly and safe condition or reconstruct the Residence. Reconstruction shall commence within a reasonable time, not to exceed sixty (60) days from the date of the destruction, and shall be diligently pursued until completed. The reconstruction shall be approved by the ARB, and shall be in conformity with the plans and specifications of the original structure, subject to any changes or modifications approved by the ARB.

Section 2. Partial Destruction. In the event of partial destruction of a Residence, the Owner thereof shall promptly eliminate any unsafe condition and clear the Parcel of debris. Within a reasonable time, not to exceed thirty (30) days from the date of the destruction, repairs shall be commenced, and shall be diligently pursued until completed. The repairs shall be approved by the

ARB, and shall be in conformity with the plans and specifications of the original structure, subject to any changes or modifications approved by the ARB.

Section 3. Failure to Comply. The Association may eliminate any unsafe condition and clear a Parcel of debris as required by Section 1 or Section 2, if the Owner fails to do so; subject, however, to the following provisions. Prior to any work, the Board, or a committee appointed by the Board, shall determine that the Parcel requires specific work to comply with Section 1 or Section 2. Except in an emergency, prior to any work, the Board shall notify the Owner that unless the specified work is commenced within fifteen (15) days and thereafter diligently pursued to completion, the Association may cause the same to be performed and charge the cost thereof to the Owner. Upon the failure of the Owner to act within said period of time or to thereafter diligently pursue the completion of the specified work, the Association may enter upon the Parcel to cause the specified work to be performed. The Association shall not be liable to the Owner or any other person for trespass or injury to person or property as a result of such actions unless caused by gross negligence or intentional wrongdoing. The cost of the specified work incurred by the Association under this section shall constitute an individual assessment against applicable Parcel and Owner.

ARTICLE XI PARTY WALLS

Section 1. General Rules of Law Apply. Each wall or fence which is built as a part of the original construction of Residences, buildings, structures or other improvements in Riverwood, situate or intended to be situate on the dividing line between adjoining, separately owned properties shall constitute a party wall. Unless otherwise provided in this article, the general rules of law regarding party walls and liability for property damage due to negligent or willful acts or omissions shall apply thereto.

Section 2. Maintenance; Casualty. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use thereof in proportion to their use. If a party wall is destroyed or damaged by fire or other casualty, the Owners who have use thereof must restore it. They shall contribute to the cost of such restoration in proportion to their use, without prejudice, however, to require an Owner to contribute a larger amount under any applicable rule of law regarding liability for negligent or willful acts or omissions. An Owner who negligently or willfully causes a party wall to be exposed to the elements shall bear the whole cost of protecting the same

against the elements. The right of any Owner to contribution under this article is appurtenant to the land and shall pass to such Owner's successors-in-title.

Section 3. Arbitration. If all parties agree, in the event of a dispute concerning a party wall, each party shall choose one arbitrator and such arbitrators shall choose one or two additional arbitrators to create an uneven number of arbitrators, and the decision shall be by a majority of the arbitrators. The decision of the arbitrators shall be binding and conclusive upon the parties, and no party to the arbitration shall thereafter institute any legal action or proceeding relating to such dispute, except to enforce the decision of the arbitrators.

ARTICLE XII PROPRIETARY RECREATIONAL FACILITIES

"Proprietary Recreational Facility" means real property within the Development Plan which is developed into and operated privately or commercially as a recreational facility for golf, tennis, swimming, or other sports and leisure activities. The construction of Proprietary Recreational Facilities is not guaranteed in the development of Riverwood. Proprietary Recreational Facilities shall not be Common Property, and, unless otherwise provided, the Association shall have no regulatory authority over them. If constructed, Proprietary Recreational Facilities may be private, semiprivate or public recreational facilities, and may require separate membership agreements or admission fees.

ARTICLE XIII GENERAL PROVISIONS

Section 1. Water and Sewage Facilities. No individual water supply system or individual sewage disposal system shall be permitted in Riverwood unless approved by the ARB.

Section 2. Landscaping. Landscaping approved by the ARB shall be installed within thirty (30) days of occupancy or completion of the primary structure on a Parcel (as evidenced by a certificate of occupancy or satisfactory final inspection from the appropriate governmental agency), whichever occurs first. The Planning Criteria may require that all landscaped and grassed areas on a Parcel be watered by an automatic underground sprinkler system. Any such requirement shall not apply to the Common Property or the Maintenance Areas, and the ARB may waive such requirement based upon landscaping materials, water consumption or other good cause.

Section 3. Obnoxious or Offensive Activity. No obnoxious or offensive activity shall be allowed in Riverwood, nor shall any use or practice be allowed which is a source of annoyance, embarrassment or discomfort to the Owners or their tenants, occupants or guests, or which interferes with the peaceful possession and proper use and enjoyment of the properties in Riverwood, nor shall any improper, unsightly or offensive use be made of any Parcel or the Common Property, or any part thereof. Without limiting the foregoing, the use, enjoyment and occupancy of the properties in Riverwood shall not cause or produce any of the following effects discernible outside buildings located thereon or affect the adjoining property or any portion or portions thereof: noise or sound that is objectionable because of its volume, duration, intermittent beat, frequency or shrillness; smoke, dust, dirt or ash; unusual fire or explosive hazards; or vibrations. All applicable laws shall be observed in Riverwood.

Section 4. Rules and Regulations. The Board Rules may address such matters as vehicular traffic, the state of repair of vehicles, air conditioning units, signs, mailboxes, newspaper boxes, noisy mufflers, garbage and trash disposal, parking, gutters, pets, game and play structures, swimming pools, driveways, walkways, sight distances at intersections, and nuisances. The Board Rules may also augment or clarify the provisions of the Master Documents.

Section 5. Animals. No animals, including reptiles and fowl, may be kept in Riverwood unless approved by the Board, except that dogs, cats, birds and fish commonly kept as household pets, as determined by the Board, may be kept in the Neighborhoods. Animals shall not be maintained or bred for any commercial purpose in the Neighborhoods. All animals must be leashed or fenced when outside. Any animal which causes excessive annoyance or disturbs the tranquility or safety of Riverwood shall not be permitted to remain. The Board may adopt strict rules governing pets in Riverwood, and may delegate its authority to approve pets to a committee appointed by the Board or to the Neighborhood Associations. Unless prohibited by the Board, Neighborhood Associations may also adopt rules governing pets in their Neighborhoods, including standards which are more strict than the Board Rules.

Section 6. Garbage and Trash. Owners shall promptly remove all garbage, rubbish and trash resulting from the use and occupancy of their Parcels. Until removed, all garbage, rubbish and trash in Riverwood shall be stored in covered or sealed sanitary containers. All such containers must be kept within a building, buried underground, or placed within an enclosed or screened area, and must be integrated into the building plan to make them as inconspicuous as possible. The Association may provide for the common removal of garbage, rubbish and trash from Riverwood, and include the cost thereof in the annual assessments.

Section 7. Petroleum Tanks. All petroleum storage tanks or receptacles shall be installed within an approved accessory building, within a screened area, or buried underground, and may not be visible from the street or any neighboring property.

Section 8. Vehicles, Parking and Repair. All trucks in excess of three-fourths (3/4) ton, commercial vehicles, campers, mobile homes, motor homes, boats, house trailers, boat trailers, and other trailers must be parked or stored in a fully enclosed garage or an area not visible from the street or any neighboring property. This prohibition shall not apply to temporary parking of trucks and commercial vehicles for pick-up, delivery and other commercial services, or to vehicles used in connection with approved construction during the Development Period or thereafter. No inoperative cars, motorcycles, trucks or other types of vehicles shall be allowed to remain either on or adjacent to a Parcel for a continuous period in excess of forty-eight (48) hours, unless kept in an enclosure and not visible from the street or any neighboring property. The Board may promulgate additional rules regulating the use, repair, storage and parking of vehicles, watercraft and equipment in Riverwood. Unless prohibited by the Board, Neighborhood Associations may also adopt rules regulating the use, repair, storage and parking of vehicles, watercraft and equipment in their Neighborhoods, including standards which are more strict than the Master Rules.

Section 9. Temporary Structures. No building, structure or improvement may be erected, altered, placed or permitted to remain on any Parcel, unless approved by the ARB. No house trailer, mobile home, motor home, trailer, tent, shack, temporary structure, or other similar building, structure or vehicle may be used as a permanent or temporary dwelling in Riverwood. This section shall not apply to Declarant or builders, contractors, real estate brokers, lenders and utility companies approved by Declarant during the Development Period.

Section 10. Signs. No sign or advertisements of any kind may be erected or displayed to public view in Riverwood, unless approved by the ARB, except reasonable street numbers and name signs on individual Residences and one sign of not more than six square feet of surface area per side (two sides maximum) advertising a Parcel for sale or rent. The ARB may adopt rules governing the use of signs in Riverwood, including their size, height, location, design, color and text. The ARB may adopt and require the use of a uniform sign to advertise a Parcel for sale or rent. This section shall not apply to Declarant or builders, contractors, real estate brokers, lenders and utility companies approved by Declarant during the Development Period.

Section 11. Air Conditioning Equipment. Air conditioning equipment which is visible on the exterior of any improvement is not permitted unless approved by the ARB. Approval shall be based upon adequacy of screening of such equipment. The ARB may prohibit window air conditioning units or impose strict standards therefore.

Section 12. Drainage Facilities. No person other than Declarant, without the prior approval of the ARB, shall obstruct, alter or in any way modify or impede the efficient operation of the drainage methods or facilities utilized by Declarant or the Association on and over any Parcel, any Common Property, or any Maintenance Area.

Section 13. Antennas. Outside antennas, including television, radio, microwave or dish antennas, are not permitted in Riverwood, unless the ARB adopts guidelines in the Planning Criteria permitting the use and display thereof, and unless the antennas comply with such guidelines.

Section 14. Subdivision of Parcels. Declarant may alter the dimensions of a Parcel owned by the Declarant prior to the initial sale of the Parcel to a third party; otherwise, no Parcel nor any of the Common Property may be subdivided without the approval of the ARB.

Section 15. Completion of Construction. After commencement of construction of any improvements in Riverwood, the Owner shall diligently prosecute the work thereon, so that the improvements shall not remain in a partially completed condition any longer than reasonably necessary. The Owner of the Parcel on which improvements are being constructed shall at all times keep all roads and streets contiguous to the Parcel free from dirt, mud, garbage, trash or other debris occasioned by such construction.

Section 16. Excavation. Clearing or excavation on a Parcel may occur only in connection with approved construction or maintenance of an improvement, and upon completion thereof, disturbed ground shall conform to the approved plans for landscaping of the Parcel.

Section 17. Protective Screening. Excluding Maintenance Areas, any protective screening constructed along exterior Parcel lines as a buffer to protect adjacent properties against noise, dust or other adverse conditions, shall be maintained by the Owner of such Parcel, including the repair and replacement thereof, as long as such buffer may be necessary to protect the adjacent properties, as determined by the ARB.

Section 18. Service Lines. No service lines may be constructed, placed or maintained in Riverwood unless they are contained in underground conduit or cable or concealed in buildings or other approved improvements, provided that electrical transformers may be permitted if properly screened and approved by the ARB. The term "service lines" includes lines, wires and other devices for the transmission or communication of electric power and telephone and television signals on a Parcel or other property, but shall not include transmission lines which transmit the power or signals to the Parcel or property, and from which the service lines run. This section shall not prohibit the erection and use of temporary power or telephone service poles and lines incident to the construction of approved improvements.

Section 19. Mailboxes. The ARB shall approve all mailboxes and newspaper boxes in Riverwood. The ARB may adopt and require the use of uniform mailboxes and newspaper boxes in Riverwood or a Neighborhood, or may require that all mailboxes and newspaper boxes in Riverwood or a Neighborhood be of a uniform design and construction.

Section 20. Changes to Development Plan. No Owner shall seek directly or indirectly to amend any aspect of the Development Plan in any manner which would affect any part of the land included in the Development Plan, including any change in permitted density of development, permitted land use, or stormwater requirements, without the written approval of Declarant during the Development Period, and thereafter without the approval of the Board.

Section 21. Clotheslines. Clotheslines are not permitted in Riverwood.

Section 22. Play Structures and Yard Accessories. Unless otherwise approved by the ARB, all basketball backboards and other fixed sports equipment shall be located at the side or rear of the Residence and within the building set back lines, and all play structures and yard accessories shall be located to the rear of the Residence and within the building set back lines. Any such equipment, structure or accessory exceeding six feet in height shall require the approval of the ARB.

Section 23. Trees. Living trees measuring six inches or more in diameter at three feet or more above ground level shall not be cut down or removed from Riverwood without approval of the ARB, unless the trees are located within six feet of a Residence or building or the proposed location thereof as approved by the ARB.

Section 24. Garages. The Planing Criteria may provide for different types, styles and sizes of garages in the various Neighborhoods in Riverwood, and may provide that garages are not

necessary for certain portions of Riverwood. Garage doors which are visible from the street shall remain closed at all times except when vehicles are entering and exiting garages.

Section 25. Fences. No fence may be erected without prior ARB approval. Chain link fences are not permitted. The ARB may include fence guidelines in the Planning Criteria.

Section 26. Security . The Board may adopt rules governing the security and protection of Riverwood. The Association may provide security for Riverwood and include the cost thereof in the annual assessments.

Section 27. Construction Offices and Signs. Declarant and builders, contractors, real estate brokers, lenders and utility companies approved by Declarant, may maintain sales, administrative, construction and other offices, and signs and other promotional equipment and apparatus in Riverwood during the Development Period, and the same shall not be subject to assessment.

Section 28. Management Agreements. Any agreement for professional management of the affairs of the Association, or any agreement providing for services to the Association by Declarant, may not exceed one year, and must provide for termination by either party without cause, and without payment of a termination fee, upon thirty (30) days' notice to the other party.

Section 29. No Additional Covenants . No Owner shall impose any additional covenants, conditions or restrictions on any property in Riverwood, without the written approval of Declarant, during the Development Period, and thereafter without the approval of the Board.

Section 30. Indemnification. The Association shall indemnify every officer and director against any and all expenses, including attorneys' fees, reasonably incurred by or imposed upon an officer or director in connection with any action, suit or other proceeding (including settlement if approved by the current Board) to which the officer or director may be a party by reason of being or having been an officer or director. The officers and directors shall not be liable for any mistakes of judgment, negligent or otherwise, but shall be liable only for their own individual willful misfeasance, malfeasance, misconduct and bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be Owners), and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to

indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or director, may be entitled.

ARTICLE XIV ENFORCEMENT

Section 1. Violations. The Master Documents and the Master Rules shall be observed by the Owners and their tenants, occupants and guests. An Owner is responsible and liable for all violations and losses caused by the Owner's tenants, occupants and guests, notwithstanding the fact that such persons are also fully liable therefor. Declarant, the Association, any member of the ARB, or any Owner may enforce and prosecute violations of the covenants, conditions, restrictions, reservations, easements, liens, charges and other provisions now or hereafter imposed by the Master Documents or the Master Rules, including proceedings at law or in equity. A Neighborhood Association may also enforce and prosecute violations of the Master Documents and the Master Rules for incidents occurring within its Neighborhood and matters involving its Owners. The failure to enforce a particular provision or prosecute a particular violation shall not be deemed a waiver of the right to do so thereafter.

Section 2. Architectural Requirements. If an Owner fails to comply with any architectural or environmental requirement of the Master Documents, the Planning Criteria, or the decisions of the ARB, notice of the violation shall be sent to the Owner allowing the Owner thirty (30) days to cure the violation. If the Owner fails to cure the violation, Declarant and the Association may each enter upon the Owner's Parcel, make such corrections or modifications as are necessary, remove anything in violation of such requirements, and charge the cost thereof to the Owner. Declarant and the Association shall not be liable to the Owner or any other person or entity for trespass or damages or injury to person or property in connection with such entry unless caused by gross negligence or intentional wrongdoing. This section is in addition to, and does not limit, the general enforcement provisions of Section 1.

Section 3. Costs of Enforcement. Any violator under Section 1 or Section 2 shall be liable for all costs reasonably and actually incurred by any authorized person or entity prosecuting a violation of the Master Documents or the Master Rules, or correcting a violation of an architectural or environmental requirement. Such costs include writing delinquency and demand letters, court costs, and attorneys' fees, including appeals. Such costs may be recovered regardless of whether suit

is filed. If approved by the Board, such costs shall constitute an individual assessment against the applicable Parcel and Owner, and may be enforced in accordance with Section 4.

Section 4. Nonpayment of Assessments. An assessment levied against a Parcel by the Association becomes delinquent if the assessment or any installment thereof is not paid on the date due. If the assessment is not paid within thirty (30) days after the date due, it shall bear interest at the rate set by the Board, but not greater than the interest rate on judgments then in effect in the State of Georgia, and shall be subject to reasonable late charges established by the Board. The delinquent assessment, together with interest, late charges, and all costs of collection reasonably and actually incurred by the Association, all of which shall be deemed part of the assessment, shall be secured by a continuing lien on the Parcel pursuant to Article VI, Section 1. Costs of collection include charges for filing a claim of lien, writing delinquency and demand letters, court costs, and attorneys' fees, including appeals. Such costs may be recovered regardless of whether suit is filed. The Association may institute legal action to foreclose the assessment lien against the Parcel or to collect against the Owner personally obligated to pay the assessment, or both.

Section 5. Sanctions. The Board shall suspend the voting rights in the Association of an Owner who is delinquent in the payment of assessments to the Association or any Neighborhood Association, and may impose other sanctions against such Owner, except that fines may not be imposed for delinquent assessments. For all other violations of the Master Documents or the Master Rules, the Board may impose sanctions, including reasonable monetary fines, suspension of an Owner's right to vote in the Association, and loss of use and enjoyment of the Common Property.

Section 6. Remedies Cumulative. The remedies provided by this article and elsewhere in this Master Declaration are not exclusive remedies, but are in addition to all other rights and remedies available to Declarant, the Association, the Neighborhood Associations, the ARB, and the Owners now or hereafter provided by the Master Documents, by law, or otherwise.

Section 7. Exemptions and Immunity. When Declarant, the Association, a Neighborhood Association, or the ARB is granted a right or an exemption by the Master Documents, or immunity from liability for exercising a right, privilege or remedy granted therein, such right, exemption and immunity shall extend to all persons and entities acting on its behalf, for its benefit, or at its direction, including its directors, officers, committees, members, managers, contractors, agents, employees, successors and assigns.

ARTICLE XV

COVENANTS AND RULES COMMITTEE

Section 1. The CRC. The Board shall appoint a Covenants and Rules Committee (the "CRC") which shall serve as the hearing tribunal of the Association for alleged violations of the Master Documents and the Master Rules. The CRC shall consist of at least three and not more than seven members, and may include members of the ARB and persons who are not Owners or occupants of Riverwood. The CRC may also serve as the hearing tribunal of a Neighborhood Association, if the Supplemental Declaration which establishes the Neighborhood Association provides therefor, or if the Board permits.

Section 2. Hearing Procedure. The Board shall not levy a fine, suspend voting, or impose any other sanctions against an Owner or other person for a violation of the Master Documents or the Master Rules unless and until the following procedure is followed:

(a) **Demand.** Written demand to cease and desist from an alleged violation shall be sent to the alleged violator specifying: (i) the alleged violation; (ii) the action required to abate the violation; and (iii) a time period which, except in emergency situations, shall be not less than ten days during which the violation may be abated without sanctions if the violation is continuing, or a statement that any further violation of the same rule may result in the imposition of sanctions if the violation is not continuing.

(b) **Notices.** At any time within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty, or if the same rule is subsequently violated, the Board shall notify the alleged violator of a proposed hearing to be held by the CRC. The notice shall be sent at least ten days prior to the proposed hearing and shall contain: (i) the nature of the alleged violation; (ii) the time and place of the hearing; (iii) an invitation to attend the hearing and produce evidence and witnesses; (iv) the possible sanctions which may be imposed; (v) that the hearing may not be held unless, within seven days of receipt of the notice, the alleged violator requests that the hearing be held; (vi) that the hearing will be held in executive session unless the alleged violator requests a public hearing within the same seven-day period; and (vii) that, if a hearing is not requested, the CRC may nonetheless hold the hearing or make its recommendation to the Board based upon the information reasonably available to the CRC without a hearing.

(c) **Hearings.** A hearing shall afford the alleged violator and any other interested person a reasonable opportunity to be heard. The alleged violator may be represented by counsel, and the hearing may be audio or video recorded subject to any applicable Board Rules. The Board may prohibit video recording. Proof of notice of the hearing shall be placed in the minutes of the hearing. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the person who delivered or sent the notice. The notice requirement shall be deemed satisfied if the alleged violator requests or attends the hearing. The minutes of the hearing shall contain a summary the evidence.

(d) **Decisions of CRC.** After a hearing, or if no hearing is timely requested or held, the CRC shall determine whether there is sufficient evidence of a violation. If the CRC finds insufficient evidence, it shall terminate the proceedings. If the CRC determines that there is sufficient evidence, it may recommend sanctions to the Board, which may include a fine for each violation and the amount of such fines, and any other remedy or penalty deemed appropriate by the CRC. The findings and recommendations of the CRC shall be sent to the alleged violator and recorded in the minutes of the CRC.

(e) **Sanctions.** If the CRC recommends that the Board levy a fine or impose other sanctions, the Board may, at a regular or called meeting, receive additional evidence or arguments with regard to the violation and the recommended sanctions, and may either approve, reduce or waive the sanctions, but may not increase the amount of any fine or impose sanctions different or more severe than recommended by the CRC, except as provided in Subsection (f).

(f) **Appeals.** After a decision of the CRC, the violator may appeal the decision and recommended sanctions to the Board by notice to the Board received within ten days after notice of the decision was sent to the violator. If an appeal is filed, or if the Board wishes to consider an increase in the amount of a fine or the imposition of sanctions different or more severe than recommended by the CRC, the Board shall hold a hearing with at least ten days' notice to the violator. The notice shall contain: (i) the time and place of the hearing; (ii) an invitation to attend the hearing and produce evidence and witnesses; (iii) the possible sanctions which may be imposed; and (iv) that the hearing will be held in executive session unless the violator requests a public hearing. The hearing shall afford the alleged violator and any other interested person a reasonable opportunity to be heard. The alleged violator may be represented by counsel, and the hearing may be audio or video recorded subject to any applicable Board Rules. The Board may prohibit video recording. The decision of the Board shall be final and shall be sent to the violator.

(g) **Fines.** The CRC may recommend and the Board may impose fines as follows: (i) for the first non-compliance or violation: a fine not in excess of One Hundred Dollars (\$100.00) for a single violation or Twenty-five Dollars (\$25.00) per day for a continuing violation; (ii) for the second noncompliance or violation: a fine not in excess of Five Hundred Dollars (\$500.00) for a single violation or Fifty Dollars (\$50.00) per day for a continuing violation; (iii) for the third and subsequent non-compliance or violation: a fine not in excess of One Thousand Dollars (\$1,000.00) for a single violation or One Hundred Dollars (\$100.00) per day for a continuing violation. The Board may increase the maximum fines authorized by this subsection in accordance with increases in a recognized index which evaluates the cost of living or other data deemed appropriate by the Board.

(h) **Individual Assessment; Payment.** A fine shall constitute an individual assessment against the applicable Parcel and Owner, and shall be paid within thirty (30) days after notice to the violator of imposition or decision after appeal, whichever is later.

ARTICLE XVI AMENDMENTS

Section 1. Amendments by Owners. This Master Declaration may be amended in accordance with this article. Owners holding at least two-thirds (2/3) of the votes in the Association may amend any provision hereof by the execution of a written instrument in recordable form containing the amendment or by the adoption of a resolution. The amendment shall be effective when the written instrument or the certified copy of the resolution is recorded in the real estate records. During the Development Period, any amendment under this section shall require the written approval of Declarant. A proposed amendment by resolution may be initiated by Declarant, the Association, or by petition signed by fifteen percent (15%) of the Owners. A copy of the proposed amendment shall be sent to each Owner at least thirty (30) days but not more than ninety (90) days prior to a meeting of the membership called to consider the proposed amendment. If adopted by vote, the affirmative vote required for adoption is two thirds (2/3) of the votes of the Owners. Owners not present in person or by proxy at the meeting may express their approval or disapproval in writing, providing such approval or disapproval is delivered to the Board prior to or at the meeting. If the amendment is approved, a certified copy of the resolution shall be recorded in the real estate records. The certification shall include a statement that proper notice was given as above set forth. Such statement shall be conclusive as to all parties, and all parties may rely thereon.

Section 2. Amendments by Declarant. During the Development Period, Declarant reserves and shall have the sole right, without vote or approval of any Owner or Mortgagee: (a) to amend the

activities or conduct (including the failure to act) is intended to explain or illustrate the application of the provisions hereof, and shall not be construed to limit or restrict their application. The Master Documents shall be liberally interpreted, and if necessary, they shall be extended or enlarged by implication to make them fully effective.

Section 3. Document Conflicts. In the event of a conflict between the Master Documents and the Articles, the Bylaws, the Board Rules or the Planning Criteria, the Master Documents shall prevail. In the event of a conflict between the Board Rules and the Planning Criteria, the Planning Criteria shall prevail.

Section 4. Headings. The paragraph headings are for reference purposes only and shall not in any way affect the meaning, content or interpretation of this Master Declaration.

Section 5. Number and Gender. Reference to the singular number shall include the plural, and any reference to the plural shall include the singular, as indicated by the context. Reference to any gender shall include all genders.

IN WITNESS WHEREOF, Declarant has caused this Master Declaration to be executed and sealed by its duly authorized Operating Manager, as of the 20th day of April, 2001.

RIVERWOOD LAND, LLC

By: E. G. Meybohm
E.G. MEYBOHM, As Its Operating Manager

SIGNED, SEALED AND DELIVERED
in the presence of:

[Signature]
Witness

[Signature]
Notary Public

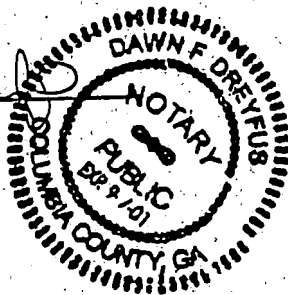


Exhibit "A"

All that tract or parcel of land, with improvements thereon, situate, lying and being in Columbia County, Georgia, containing 14.86 acres, located northwest of Riverwood Parkway, known and designated as Morningside at Riverwood Plantation, as shown a plat thereof recorded in the Office of Clerk of Superior Court of Columbia County, Georgia, in Plat Cabinet D, Slide 109, No. 2 and No. 3, to which plat reference is made for a more complete and accurate description and location of said property. Said property contains 23 residential lots (Lots 1-11, Block A, inclusive; and Lots 1-12, Block B, inclusive), Pond View Road and two islands located therein, and a Green Space containing 0.29 acre. Also, that certain Buffer 20 feet in width along the southwestern and southeastern boundaries of Morningside at Riverwood Plantation as shown on the aforesaid plat.

The 23 residential lots are Parcels, and the two islands in Pond View Road, the Green Space, and the Buffer are Common Property, as defined in this Master Declaration.