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## SUMMARY OF

### AMENDED AND RESTATED DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS, RESTRICTIONS, AND EASEMENTS FOR RIVER NORTH ASSOCIATION, INC.

THIS DECLARATION is made on the date hereinafter set forth by RIVER NORTH ASSOCIATION, INC., a Georgia, Non-Profit Corporation (hereinafter sometimes called "the Association").

This first section sets out the legal parameters for the new declaration. It specifies what property is to be included under the covenants and what existing covenants are being amended by this declaration. It also specifies that the River North Association will be governed by the Property Owner's Association Act of Georgia. That state law governs the operation of homeowners associations and previously did not apply to the current Associations.

#### Article 1 Definitions

This article contains a listing of terms such as "Association," "Board of Directors," "Common Property," "Lot," "Owner," and "Neighborhood" that are defined for clarity. These are very much like the definitions contained in the existing covenants.

#### Article 2 Property Subject to This Declaration

This article sets out what property will be covered by these covenants. The legal property description for all this property will be spelled out in Exhibit "A". The exhibit is not a simple list of addresses. Rather, it is an actual listing of the boundaries and dimension of the property.

There is also a clause that protects owners if their property is in compliance with existing covenants at the time this declaration is adopted but is not in compliance with the terms of this declaration.

The article describes two ways that additional property can be annexed or in other words, placed under these covenants. The designated property that is listed in an Exhibit "B" can be annexed by agreement between the owner and a vote of the Board. Any other property not listed in that Exhibit and the owner seeks annexation, a vote of the membership of the Association is required to approve that annexation. That exhibit will be made available to all residents prior to the adoption of these new covenants. There may be as few as two or as many as 14 different parcels of property that would be in the exhibit. These properties should be covered by the covenants, but the legal paperwork has never been done to complete that transaction. The Country Club property inside of River North is not included in Exhibit "B".

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### Article 3

#### Association Membership, Meetings, and Voting Rights

All lot owners are members of the Association, with one vote per lot. Joint owners must designate a single voting representative. This is the same provisions that are contained in the existing covenants.

### Article 4

#### Assessments

The Association can levy several types of assessments, general, special, and specific assessments, as well as a "Contribution to Reserves Fee". This article states the purposes for the use of assessments. General and special assessments are the same as set out in the existing covenants. Specific assessment was expanded to designate that any fees or fines owed to the association is categorized as a specific assessment. New to the area of assessments is the Contribution to Reserves Fee.

The general assessment is set each year as a part of budget preparation. It is the payment due from every lot owner and is the primary revenue that funds the Association's operation.

Special assessment is a one-time assessment intended to fund special needs of the Association. Any such assessment must be approved by the members of the Association.

A specific assessment is levied by the Association to a single lot or group of lots for fees, fines or other charges authorized to be assessed by the covenants or established rules and regulations.

The Contribution to Reserves Fee is a new form of assessment. It is assessed at 0.5% of the gross purchase price on transfer of a property. The new purchaser of the property pays the fee. There are several exemptions provided for specific circumstances.

Assessments are a lien on the property and a personal obligation of the owner. Delinquent payments incur late fees and interest, and the Association can pursue collection or foreclosure. This is the same as the provisions under the existing covenants.

### Article 5

#### Maintenance of the Common and Private Owned Property

There are a number of important matters addressed in this article. The basic premise is stated that the Association maintains common property; owners are responsible for their own lots and improvements. This is the same as in the existing covenants. However, currently enforcement is limited under the existing documents. Under this new provision, the Association can enforce maintenance standards and levy fines for violations. The enforcement processes and the fee structure

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is established. There are also provisions that address the partitioning and condemnation of property in addition to liability issues for damage or injury that occurs on common property. This again is generally the same as the existing covenants.

#### Article 6 Architectural Control Committee

This is an important article that establishes the creation of the Architectural Control Committee much like the committees that exist under the current covenants. This new article provides that the committee is made up of 5 residents appointed to the committee by the Board of Directors. The article sets out the purpose, powers and duties of the committee.

The committee reviews the plans submitted for approval of construction and improvements on lots under the covenants both mandatory and optional approval requests. Optional approval request is a new provision.

The committee is also empowered to identify violations of the covenant standards and recommend enforcement actions to be taken by the Board of Directors as exists in the current covenants.

#### Article 7 Architectural Standards

This article should be of greatest interest to most residents. It states the architectural standards especially as it relates to future construction of new homes. There are also restrictions and standards for the use and maintenance of existing properties including mailboxes, outbuildings, fences, limitation on certain activities on property inconsistent with residential use, leasing limitations, yard signs, garages, vehicle parking, pets, antennas, tree removal and other similar restrictions and guidelines. Most of these items are covered in the existing covenants. This new document attempts to modernize the standards eliminating some items and modifying others in hopes of being reasonable and fair to residents.

The article also authorizes the creation of rules and regulations that govern the use of the common property. This same authority exists in the existing covenants.

#### Article 8 Board of Directors

This article establishes the election and composition of the Board of Directors. It also defines the powers, duties, and procedures for meetings, vacancies, and removal and replacement of board members. This is a greatly expanded section from what exist in the current covenant to provide standards and guidance for the operation and performance of the duties of the Board of Directors.

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The Board manages the Association, prepares budgets, maintains a capital reserve, enforces covenants and can grant variances under specific circumstances.

Article 9  
Insurance and Casualty Losses

This part of the declaration sets out the requirements for the Association to protect the common property and assets of the Association. It makes clear that lot owners must insure their own home and lots. Procedures for repair or reconstruction after damage are also outlined. This is generally the same as exists in the current covenants.

Article 10  
Easements

An easement is a property right granted to people or entities that grants them the ability to enter property that actually belongs to another person. This article spells out the easements that are granted for the purposes of ingress/egress, utilities, emergency entry, maintenance, drainage, and community features. Such easements are similar to provisions in the existing covenants.

Article 11  
Golf Course and Country Club

This article makes clear that the golf course and country club are privately owned and not part of the Association's common property. Owners have no automatic rights to use these facilities. It allows for the circumstances when golfers are allowed to enter property belonging to residents. It also establishes that the Association would reconsider its position towards the club if the club's private status was to change.

Article 12  
Use of Common Property by Nonmembers

The Association is given the right to grant access to non-members which means non-residents into the River North property. The most common example of this would be allowing club members access so that they can reach the club.

Article 13  
General Provisions

This section provides for certain general provisions that are applicable to these covenants. They include the use of cameras and the fact that occupants and guests on property covered by these covenants are required to abide by the restrictions and rules and regulations published by the Association and this

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declaration. There is a provision on the duration of the covenants and their renewal, the procedure for amendments to the covenants, and certain provisions regarding the interpretation of any provisions provided under this declaration. There is also a provision that makes clear that a resident can sell their property without the need of giving the Association a right to purchase the property before such sale. This is often referred to as the Right of First Refusal. Finally, there are provisions concerning agreements, litigation and settlement that may involve the Association. All of this is very similar to what is in the existing covenants.

#### Article 14 Neighborhood Specific Covenants

This final section addresses the fact that in addition to single family homes which will make up the majority of the community, there are and may in the future include attached housing. The article addresses the existence of the current condominiums but also provides for the anticipation of any future developments. This is new primarily because at the time the existing covenants were created, the condominiums in River North did not exist.