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STATE OF ALABAMA)	
COUNTIES OF JEFFERSON)	RIVERCHASE COVENANTS
AND SHELBY)	<u>R E S I D E N T I A L</u>

DECLARATION OF PROTECTIVE COVENANTS,
AGREEMENTS, EASEMENTS, CHARGES AND
LIENS FOR RIVERCHASE (RESIDENTIAL)

KNOW ALL MEN BY THESE PRESENTS, That:

WHEREAS, THE HARBERT-EQUITABLE JOINT VENTURE, under Joint Venture Agreement dated January 30, 1974, an Alabama General Partnership composed of HARBERT CONSTRUCTION CORPORATION, a corporation, and THE EQUITABLE LIFE ASSURANCE SOCIETY OF THE UNITED STATES, a corporation (said Venture herein referred to as "DEVELOPER"), has heretofore acquired the fee title or leasehold interest in the approximately 3,000 acres of land described in Exhibit "A" annexed hereto and made a part hereof, said land being situated in Shelby and Jefferson Counties, Alabama, and referred to herein as "Riverchase Property";

WHEREAS, DEVELOPER intends to develop a new community (to be known as "RIVERCHASE") on the Riverchase Property affording well-planned residential, commercial, industrial, recreational, institutional buildings and facilities and other areas;

WHEREAS, DEVELOPER has caused the RIVERCHASE BUSINESS ASSOCIATION, INC. to be formed for the purposes described in its charter and in the Declaration of Protective Covenants, Agreements, Easements, Charges and Liens For Riverchase (Business);

WHEREAS, DEVELOPER has caused the RIVERCHASE RESIDENTIAL ASSOCIATION, INC. to be formed for the purpose of providing a non-profit organization to serve as representative of DEVELOPER and owners of any part of Riverchase Property which hereafter is made subject to these protective covenants, agreements, charges and liens (herein collectively referred to as "Restrictions") with respect to: the assessment, collection and application of all charges imposed hereunder; the enforcement of all covenants contained herein and all liens created hereby; the

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creation, operation, management and maintenance of the facilities and services referred to hereafter and such other purposes described in its charter;

WHEREAS, DEVELOPER may desire to subject, from time to time, portions of the Riverchase Property described in Exhibit A intended for residential and related development to this Declaration and certain other portions of the Riverchase Property intended for commercial, industrial, business and related development to the separate Declaration of Protective Covenants, Agreements, Easements, Charges and Liens for Riverchase (Business).

NOW, THEREFORE, DEVELOPER does hereby proclaim, publish and declare that any part of the Riverchase Property which becomes subject to these Restrictions shall be held, conveyed, hypothecated or encumbered, rented, used, occupied and improved subject to this Declaration, which shall run with the land and shall be binding upon DEVELOPER and upon all parties having or acquiring any right, title or interest in any part of Riverchase Property which is subject to this Declaration. THE RESTRICTIONS CONTAINED HEREIN SHALL NOT APPLY TO OR AFFECT ANY RIVERCHASE PROPERTY WHICH IS NOT SUBJECTED SPECIFICALLY BY WRITTEN INSTRUMENT TO THIS DECLARATION.

ARTICLE I

DEFINITIONS

SECTION 1.1 Assessable Property: That part of Riverchase Property which is subjected to these Restrictions except such part or parts thereof as may from time to time constitute "Exempt Property" as defined in Section 1.9.

1.2 Association Land or RRA Land: That part of Riverchase Property which may at any time hereafter be owned by the Association for so long as the Association or successor thereof may be the owner thereof.

1.3 Board: The Board of Directors of the Association.

1.4 Charter: The Articles of Incorporation of the Riverchase Residential Association, Inc.

1.5 Commercial Parcel: Any unit, lot, part or parcel of Riverchase Property designed, designated or used for a commercial or business purpose or use including apartment projects.

1.6 Declaration: This Declaration of Protective Covenants, Agreements, Easements, Charges and Liens (Residential) applicable to Member's Property which shall be recorded in the Probate Records of Jefferson and Shelby Counties, Alabama, as the same may from time to time be supplemented or amended in the manner described therein.

1.7 Deed: Any deed, assignment, lease, or other instrument conveying fee title or a leasehold interest in any part of Riverchase Property subjected to these Restrictions.

1.8 Developer: The developer of Riverchase, The Harbert-Equitable Joint Venture under Joint Venture Agreement dated January 30, 1974, an Alabama General Partnership, its successors and assigns.

1.9 Exempt Property: Shall mean and refer to the following portions or parts of the Property:

(i) all land and "Permanent Improvements", as hereinafter defined, owned by the United States, the State of Alabama, Jefferson or Shelby Counties, or any instrumentality or agency of any such entity, for so long as any such entity or any such instrumentality or agency shall be the owner thereof;

(ii) all land and Permanent Improvements owned by Riverchase Residential Association, Inc. ("RRA") (or a "Successor Corporation" as defined in Section 16.11 hereof) for so long as RRA (or such Successor Corporation) shall be the owner thereof;

(iii) all land and Permanent Improvements exempt from Jefferson and Shelby Counties, whichever is appli-

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cable, and the State of Alabama real property taxes by virtue of applicable law.

1.10 Member: A person or other entity who is a record owner of Member's Property.

1.11 Member's Property: That portion of Riverchase Property which shall have been submitted to the Declaration for the purpose of creating a lien for assessments in favor of RRA.

1.12 Open Spaces or Common Areas: Riverchase Property which is conveyed to the Association by the owners or Developers of Riverchase or a part thereof.

1.13 Owner: The Owner of Member's Property.

1.14 Parcel: Includes both residential and commercial parcels.

1.15 Permanent Improvement: All buildings, structures and other matters and things which at the time of the assessment of each "Annual Charge", as hereinafter defined, are taxable by the State of Alabama or Jefferson or Shelby Counties as real property under applicable law.

1.16 Property or Subject Property or Member's Property: That part of Riverchase Property subjected to the Declaration. Property includes the following:

1.16.1 the term "Property" shall mean and include all presently existing Permanent Improvements built, installed or erected thereon; and all new or later acquired Permanent Improvements;

1.16.2 from and after each addition to the Property subjected to the Declaration, as hereinafter defined, pursuant to Article VIII hereof, the term "Property" shall also include each such new parcel of land and each Permanent Improvement existing on each such new parcel of land at the time that the same is subjected to the Declaration; and all new or later acquired Permanent Improvements.

1.17 Resident: Any person or persons occupying Member's Property.

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1.18 Residential Parcel: Any unit, lot, part or parcel of Riverchase Property designed for a single family residence including condominium units and single family residential lots platted of record regardless of whether a dwelling has or has not been constructed on such lot.

1.19 Restrictions: The covenants, agreements, easements, charges and liens created or imposed by this Declaration.

1.20 Association or "RRA". The Riverchase Residential Association, Inc., its successors and assigns.

1.21 Riverchase or Riverchase Property: The property described as Riverchase in the Declaration and other property contiguous with Riverchase which may be acquired by Developer and developed as a part of Riverchase. That part of Riverchase subjected to the Declaration is referred to as "Property", "Subject Property", or "Member's Property".

1.22 Structure: Any thing or device [other than trees, shrubbery (less than two (2) feet high if in the form of a hedge), and landscaping] the placement of which upon any Parcel may affect the appearance of such Parcel, including by way of illustration and not limitation, any building, garage, porch, shed, greenhouse or bathhouse, coop or cage, covered or uncovered patio, mailbox, swimming pool, clothes line, radio or television antenna, fence, curbing, paving, wall or hedge more than two (2) feet in height, signboard or any temporary or permanent living quarters (including any house trailer or motor home) or any other temporary or permanent improvement to such Parcel. "Structure" shall also mean (i) any excavation, fill, ditch, diversion dam or other thing or device which affects or alters the natural flow of surface waters from, upon or across any Parcel, or which affects or alters the flow of any waters in any natural or artificial stream, wash or drainage channel from, upon or across any Parcel and (ii) any change in the grade of any Parcel of more than six inches from that existing at the time of purchase by each Owner.

ARTICLE II

MUTUALITY OF BENEFIT AND OBLIGATION

SECTION 2.1 The Restrictions set forth herein are made for the mutual and reciprocal benefit of each and every part of Riverchase Property subjected to the Restrictions (sometimes referred to as "Property" or "Member's Property") and are intended to create mutual, equitable servitudes upon each such part of the Property and in favor of each and all such parts of the Property therein, to create reciprocal rights between the respective owners and future owners of such Property; and to create a privity of contract and estate between the grantees of said Property, their heirs, successors and assigns. The Restrictions do not apply to or affect any part of Riverchase Property which is not subjected specifically by written instrument to this Declaration.

ARTICLE III

ASSESSMENT OF ANNUAL CHARGE

SECTION 3.1 Assessment: For the purpose of providing funds for use as specified in Article V hereof, the Board shall in each year, commencing with the year 1976, assess against the Assessable Property a charge (which shall be uniform with respect to all Assessable Property) equal to a specified number of cents (not in excess of seventy-five cents) for each One Hundred Dollars (\$100) of the then current "Assessed Valuation", as hereinafter defined, of the Assessable Property. In making each such assessment, the Board shall separately assess each parcel based upon its Assessed Valuation, and each such Parcel shall be charged with and subject to a lien for the amount of such separate assessment which shall be deemed the "Annual Charge" with respect to such Parcel. Provided however, in the event property of the Riverchase Country Club is submitted to this Declaration, the maximum Annual Charge applicable to such Riverchase Country Club property shall not exceed the product of five (5) times the average Annual Charge for residential Parcels which have been subjected to this Declaration. Provided further that prior to 1985 the maximum Annual Charge per parcel shall not exceed \$50.00 as may be adjusted upward annually in an

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amount not to exceed ten percent (10%) of said maximum amount which could have been charged the preceding year.

3.2 Assessed Valuation: As used herein, the term "Assessed Valuation" shall mean:

3.2.1 the highest valuation placed on land and permanent improvements in each year for Jefferson or Shelby County (whichever is applicable) or Alabama State real estate tax purposes, whichever may be higher, as assessed or determined in such manner as may from time to time be provided by applicable law, regardless of any decrease of such valuation during such year by reason of protest, appeal or otherwise;

3.2.2 if the applicable County and the State shall ever cease to impose real estate taxes, then said term shall mean in each year thereafter the highest valuation placed on land and permanent improvements during the last year when either shall have imposed real estate taxes, determined as provided in Section 3.2.1.

3.03 Date of Commencement of Annual Charge:

As soon as may be practical in each year, RRA shall send a written bill to each Member stating (i) the Assessed Valuation of each Parcel owned by such Member as the same appears on the appropriate public record; (ii) the number of cents per One Hundred Dollars (\$100) of such Assessed Valuation assessed by the Board as the Annual Charge for the year in question, (iii) the amount of the Annual Charge assessed against each such Parcel, stated in terms of the total sum due and owing as the Annual Charge, and (iv) that unless the Member shall pay the Annual Charge within thirty (30) days following the date of receipt of the bill the same shall be deemed delinquent and will bear interest at the rate of eight percent (8%) per annum until paid.

3.4 Effect of Nonpayment of Assessments;

Remedies of RRA. If the Member shall fail to pay the Annual Charge within ninety (90) days following receipt of the bill referred to in Section 3.3 hereof, in addition to the right to sue the Member for a personal judgment, RRA shall have the right to enforce the lien hereinafter imposed to the same extent, including a foreclosure sale and deficiency decree, and

subject to the same procedures, as in the case of mortgages under applicable law, and the amount due by such Member shall include the Annual Charge, as well as the cost of such proceedings, including a reasonable attorney's fee, and the aforesaid interest. In addition, RRA shall have the right to sell the property at public or private sale after giving notice to the Member (by registered mail or by publication in a newspaper of general circulation in the County where the Parcel is situated at least once a week for three successive weeks) prior to such sale.

3.5 Procedures for Making Assessment: The Board shall have the right to adopt procedures for the purpose of making the assessments provided herein and the billing and collection of the Annual Charges, provided that the same are not inconsistent with the provisions hereof.

3.6 Upon written demand by a Member, RRA shall within a reasonable period of time issue and furnish to such Member a written certificate stating that all Annual Charges (including interest and costs, if any) have been paid with respect to any specified Parcel as of the date of such certificate or, if all Annual Charges have not been paid, setting forth the amount of such Annual Charges (including interest and costs, if any) due and payable as of such date. RRA may make a reasonable charge for the issuance of such certificates which must be paid at the time that the request for such certificate is made. Any such certificate, when duly issued as herein provided, shall be conclusive and binding with regard to any matter therein stated as between RRA and any bona fide purchaser of, or lender on, the Parcel in question.

ARTICLE IV

IMPOSITION OF CHARGE AND LIEN UPON PROPERTY

SECTION 4.1 Creation of Lien for Assessments: All Member's Property shall be subject to a continuing lien for assessments levied by RRA in accordance with the provisions of this Declaration. The Annual Charge together with interest

thereon and the costs of collection thereof including reasonable attorney's fees) as hereinafter provided, shall be a charge on and shall be a continuing lien upon the Member's Property against which each such assessment or charge is made. All Member's Property shall be held, transferred, sold, conveyed, used, leased, occupied, mortgaged or otherwise encumbered subject to all the terms and provisions of this Declaration applicable to Member's Property, including, but not limited to, the continuing lien herein described.

4.2 Submission of a Portion of Riverchase Property. DEVELOPER may desire to subject, from time to time, portions of the Riverchase Property intended for residential and related development to this Declaration in accordance with Article IX, and the same will thereby be subjected to this Declaration as Member's Property for the purpose of submitting such property to the lien described in Section 4.1. Except as provided herein, Member's Property shall hereafter be held, transferred, sold, conveyed, used, leased, occupied, mortgaged or otherwise encumbered subject to all the terms and provisions of this Declaration applicable to Member's Property, including, but not limited to, the lien provisions set forth in Section 4.1. Notwithstanding the above, DEVELOPER has and retains the absolute right, at any time, to withdraw up to a cumulative total of one hundred (100) acres of Member's Property which may be subjected to this Declaration and hold or convey, mortgage, use, lease or occupy the same free of the provisions of this Declaration.

4.3 Personal Obligation of Members. Each Member, by acceptance of a deed or other conveyance to Member's Property, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to RRA the Annual Charges. Each such assessment, together with interest and costs of collection, including reasonable attorney's fees, shall be the personal obligation of the person who was the owner of such Member's Property at the time when the assessment fell due.

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4.4 Subordination of Lien to Mortgages. The lien of any assessment or charge authorized herein with respect to Member's Property is hereby made subordinate to the lien of any bona fide mortgage on such Member's Property if, but only if, all assessments and charges levied against such Member's Property falling due on or prior to the date such mortgage is recorded has been paid. The sale or transfer of any Member's Property pursuant to a mortgage foreclosure proceeding or a proceeding in lieu of foreclosure or the sale or transfer of such Member's Property pursuant to a sale under power contained in a mortgage on such property shall extinguish the lien for assessments falling due prior to the date of such sale, transfer or foreclosure, but RRA shall have a lien on the proceeds of such sale senior to the equity of redemption of the mortgagor. The foregoing subordination shall not relieve a Member whose Member's Property has been mortgaged of his personal obligation to pay all assessments and charges falling due during the time when he is the owner of such property. The Board may at any time, either before or after the mortgaging of any Member's Property, waive, relinquish or quitclaim in whole or in part the right of RRA to assessments and other charges collectible by RRA with respect to such property coming due during the period while such property is or may be held by a mortgagee or mortgagees pursuant to such sale or transfer.

ARTICLE V

USE OF FUNDS

SECTION 5.1 Use of Funds. RRA shall apply all funds received by it pursuant to these Restrictions and from any other source to the following: repayment of principal and interest of any loans of RRA, the costs and expenses of RRA for the benefit of the Property, Owners and Residents by devoting the same to the acquisition, construction, reconstruction, conduct, alteration, enlargement, laying, renewal, replacement, repair, maintenance, operation and subsidizing of such of the following

as the Board, in its discretion, may from time to time establish or provide: any or all projects, services, facilities, studies, programs, systems and properties relating to: parks, recreational facilities or services; drainage systems; streets, roads, highways, walkways, curbing, gutters, sidewalks, trees, flowers and landscaping, fountains, benches, shelters, directional and informational signs, walkways, and bridges, and street, road and highway lighting facilities; facilities or arrangement for facilities for the collection, treatment and disposal of garbage and refuse; facilities or arrangement for facilities for collection and treatment of sewage; mass transit systems, stations and terminals, airfields, airports, air terminals and associated facilities; facilities for the fighting and preventing of fires; auditoriums, galleries, halls, amphitheaters, theaters, arenas and stadiums, schools and other educational buildings and facilities, including equipment, supplies and accessories in connection therewith, storage and maintenance yards, garages and other buildings and facilities deemed necessary or desirable by the Board in connection with the administration, management, control and operation of RRA; libraries, including equipment, books, supplies and accessories in connection therewith; hospitals and clinics, including equipment, medicines, supplies and accessories in connection therewith; traffic engineering programs and parking facilities, facilities for animal rescue and shelter; lakes, dams, parks, zoos, playgrounds, boat basins and marinas, equestrian centers and facilities; skeet ranges, bowling alleys, and other related or unrelated recreational facilities; facilities and provisions for the security of Members, Members' Property, Residents and RRA Land; and any and all other improvements, facilities, utilities and services that the Board shall find to be necessary, desirable or beneficial to the interest of the Property, Owners and Residents.

5.2 Obligations of RRA with Respect to Funds.

RRA shall not be obligated to spend in any calendar year all the sums collected in such year by way of Annual Charges, or otherwise, and may carry forward, as surplus any balances remaining; nor shall RRA be obligated to apply any such surpluses

to the reduction of the amount of the Annual Charge in the succeeding year, but may carry forward from year to year such surplus as the Board in its absolute discretion may determine to be desirable for the greater financial security of RRA and the effectuation of its purposes. RRA does not assure that the services described in Section 5.1 will be provided and nothing herein shall obligate RRA or its Directors to undertake to provide such services.

5.3 Authority of RRA to Contract. RRA shall be entitled to contract with any corporation, firm or other entity for the performance of the various undertakings of RRA hereunder and the performance by any such entity shall be deemed the performance of RRA hereunder.

ARTICLE VI

RIGHTS OF ENJOYMENT IN COMMUNITY FACILITIES

SECTION 6.1 Community Facilities: DEVELOPER may convey to RRA, subsequent to the recordation of this Declaration, certain tracts of land within the Riverchase Property for park and other recreational and related purposes. Such tracts, together with such other parts of RRA Land as the Board, in its absolute discretion, may by resolution from time to time hereafter designate for use by Members and Residents are sometimes hereinafter collectively referred to as "Community Facilities". No part of the Riverchase Country Club property or facilities constitute "Community Facilities". Upon designation of any part of RRA Land as a Community Facility, as herein provided, the Board shall cause a deed to be executed and recorded among the Land Records of Shelby and Jefferson Counties, which deed shall include a description of the land so designated and shall state that such land has been designated as a Community Facility for purposes of this Section 6.1. No RRA Land, or any part thereof, shall be a Community Facility subject to the rights and easements of enjoyment and privileges hereinafter granted

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unless and until the same shall have been so designated and the above described declaration filed in accordance with the procedure provided herein.

6.2 Easement of Enjoyment of Community Facilities. Every Owner, by reason of such ownership, shall have a right and easement of enjoyment in and to all Community Facilities, and such easement shall be appurtenant to and shall pass with every Parcel upon transfer. All Residents who are not Members shall have a non-transferable privilege to use and enjoy all Community Facilities for so long as they are Residents within the previously defined meaning of that term. All such rights, easements, and privileges, however, shall be subject to the right of RRA to adopt and promulgate reasonable rules and regulations pertaining to the use of Community Facilities which shall enhance the preservation of such facilities, the safety and convenience of the users thereof, or which, in the discretion of the Board, shall serve to promote the best interests of the Owners and Residents, including the making available of certain Community Facilities to school children, with or without charge. RRA shall have the right to charge Owners and Residents reasonable admission and other fees in connection with the use of any Community Facility. In establishing such admission and other fees, the Board may, in its absolute discretion, establish reasonable classifications of Owners and of Residents; such admission and other fees must be uniform within each such class but need not be uniform from class to class. RRA shall have the right to borrow money for the purpose of improving any Community Facility and in aid thereof, to mortgage the same and the rights of any such mortgagee shall be superior to the easements herein granted and assured.

6.3 Suspension of Rights. RRA shall have the right to suspend the right of any Member (and the privilege of each Resident claiming through such Member) for any period

during which the Annual Charge assessed under Article III hereof remains overdue and unpaid, or in connection with the enforcement of any rules or regulations relating to such facilities in accordance with the provisions of this Article VI.

6.4 Right of RRA to Convey: Notwithstanding the rights, easements and privileges granted under this Article VI, RRA shall nevertheless have the right and power to convey any property referred to in Section 6.1 hereof free and clear of all such rights, easements and privileges if such conveyance is to a public body for public use.

6.5 Restrictions and Easements Over Open Spaces. DEVELOPER will either create prior to or as a part of any conveyances to RRA easements and rights of way over and/or affecting the property conveyed to RRA including but not limited to easements relating to utilities, sewers, construction and roads. Any such conveyance to RRA by DEVELOPER shall be subject to all restrictions, easements, rights of way and agreements of record.

ARTICLE VII

MEMBERSHIP AND VOTING RIGHTS

SECTION 7.1 General. The structure of RRA is contained in its Charter and by-laws. The information contained in this Article VII is not to be construed to modify in any way such Charter or by-laws and the Charter and by-laws shall control over this Article VII in the event of a conflict.

7.2 Every owner of a Parcel constituting Member's Property shall, by virtue of such ownership, be a Member of RRA. Membership shall be appurtenant to, and may not be separated from the ownership of any property which is Member's Property.

7.3 Classes of Membership.

(a) Class A Members shall be all persons owning one or more Residential Parcels constituting Member's Property excepting those persons who are Class B Members.

(b) Class B Members shall be The Harbert-Equitable Joint Venture, an Alabama General Partnership, or other persons, who own Member's Property, provided such other persons have been and continue to be designated as Class B members by DEVELOPER.

The Class B membership shall terminate and the then Class B members shall become Class A members at such time as (a) all the then Class B members so designate in a writing delivered to the Association or (b) on December 31, 1990, whichever shall first occur.

7.4 Voting Rights. When entitled to vote, each Member shall have one vote for each Residential Parcel owned by such Member.

7.5 Class B to Have Sole Voting Privileges. Until the time at which the Class B membership terminates, as provided herein, the Class B members shall be vested with the sole voting rights in RRA, and the Class A membership shall have no voting rights except on such matters as to which this Declaration, the Charter, or the By-Laws of RRA specifically require a vote of each and every class of membership.

ARTICLE VIII

THE ADDITION OF OPEN SPACES

SECTION 8.1 Additions to Open Space. DEVELOPER, or such of its successors and assigns as shall have been specifically granted the right to submit additional property to this Declaration as set forth in this Article, may from time to time during the development of RIVERCHASE but on or before December 31, 1990, convey additional property to RRA and such property shall become Open Spaces provided

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- (a) either the deed of conveyance to RRA or a subsequent declaration recorded in the Records of Shelby and/or Jefferson Counties, Alabama, submits such additional property to the terms, covenants and provisions of this Declaration; and
- (b) the additional property is part of the Riverchase Property.

8.2 Permissible Conditions or Restrictions on Additional Open Space. Property conveyed to RRA as additional Open Spaces may be improved or unimproved land and may be subject to permanent or periodic flooding or may be land under water. The grantor may convey such additional Open Spaces subject to easements for the construction, installation, maintenance, repair, use and access of roadways, service roads, or utility sewer, or other public service facilities, and subject to the reserved right in favor of a person owning Riverchase Property for reasonable use and access to facilitate the development of such property and subject to other rights of way, easements, restrictions, and agreements of record.

ARTICLE IX

THE SUBMISSION OF ADDITIONAL MEMBER'S PROPERTY

SECTION 9.1 Submission of Additional Member's Property.

DEVELOPER may at any time during the pendency of this Declaration add all or a portion of Riverchase Property to the Property which is covered by this Declaration. Additional Member's Property may be submitted to the provisions of this Declaration by an instrument executed by DEVELOPER, its successors or assigns in the manner required for the execution of deeds. Such instrument shall:

9.1.1 refer to this Declaration stating the book or books of the records of Jefferson and Shelby Counties, Alabama, and the page numbers where this Declaration is recorded;

9.1.2 contain a statement that such Additional Member's Property is conveyed subject to the provisions of this Declaration, or some specified part thereof;

9.1.3 contain an exact description of such Additional Member's Property; and

9.1.4 such other or different covenants, conditions and restrictions as DEVELOPER shall, in its discretion, specify to regulate and control the use, occupancy and improvement of such Additional Member's Property.

Upon the recording of such instrument in the Records of Shelby and/or Jefferson Counties, Alabama, such additional property shall be Member's Property and the owner or owners of such Member's Property shall thereupon be members of RRA.

9.2 All Member's Property Bears the Burdens and Enjoys the Benefits of this Declaration. Every person who is an owner of a fee interest in any portion of the Member's Property does by reason of taking such title agree to all of the terms and provisions of this Declaration. All present and later added Member's Property is subject to the burdens and shall enjoy the benefits made applicable hereunder to Member's Property.

ARTICLE X

COVENANTS FOR MAINTENANCE

SECTION 10.1 Each Owner shall keep all Parcels owned by him, and all improvements therein or thereon, in good order and repair, including but not limited to, the seeding, watering and mowing of all lawns, the pruning and cutting of all trees and shrubbery and the painting (or other appropriate external care) of all buildings and other improvements, all in a manner and with such frequency as is consistent with good property management. If, in the opinion of the "Architectural Committee", as hereinafter defined, any Owner fails to perform the duties

imposed by the preceding sentence, DEVELOPER, RRA, and the Architectural Committee after fifteen (15) days' written notice to Owner to remedy the condition in question, shall have the right, through its agent and employees, to enter upon the Parcel in question and to repair, maintain, repaint and restore the Parcel or such improvements and the cost thereof shall be a binding, personal obligation of such Owner as well as a lien (enforceable in the same manner as a mortgage) upon the Parcel in question.

10.2 The lien provided in Section 10.1 hereof shall not be valid as against a bona fide purchaser (or bona fide mortgagee) of the Parcel in question unless a suit to enforce said lien shall have been filed in a court of record in Jefferson County or Shelby County prior to the recordation among the Land Records of Jefferson County or Shelby County of the deed (or mortgage) conveying the Parcel in question to such purchaser (or subjecting the same to such mortgage).

ARTICLE XI

ARCHITECTURAL COMMITTEE; ARCHITECTURAL CONTROL

SECTION 11.1 Architectural Committee. The "Architectural Committee" shall be composed of those three or more individuals so designated from time to time (i) by DEVELOPER until control of the Architectural Committee is delegated to RRA, and (ii) by RRA after delegation of such control; RRA being entitled at all times after delegation of such control to appoint a majority thereof. Except as hereinafter provided, the affirmative vote of a majority of the membership of the Architectural Committee shall be required in order to adopt or promulgate any rule or regulation, or to make any findings, determinations, ruling or order, or to issue any permit, authorization or approval pursuant to directives or authorizations contained herein. With regard to review of plans and specifications as set forth in

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this Article XI, however, and with regard to all other specific matters (other than the promulgation of rules and regulations) as may be specified by resolution of the entire Architectural Committee, each individual member of the Architectural Committee shall be authorized to exercise the full authority granted herein to the Architectural Committee. Any approval by one such member of any plans and specifications submitted under this Article XI, or the granting of any approval, permit or authorization by one such member in accordance with the terms hereof, shall be final and binding. Any disapproval, or approval based upon modification or specified conditions by one such member shall also be final and binding, provided, however, that in any such case, any applicant for such approval, permit or authorization may, within ten (10) days after receipt of notice of any such adverse decision, file a written request to have the matter in question reviewed by the entire Architectural Committee. Upon the filing of any such request, the matter with respect to which such request was filed shall be submitted to and reviewed as soon as possible by the entire Architectural Committee. Thereafter, the decision of a majority of the members of the Architectural Committee with respect to such matter shall be final and binding.

11.2 Approval Required: No Structure as defined in Section 1.22, shall be commenced, erected, placed, moved on to or permitted to remain on any Parcel, nor shall any existing Structure upon any Parcel be altered in any way which materially changes the exterior appearance thereof, nor shall any new use be commenced on any Parcel, unless plans and specifications (including a description of any proposed new use) thereof shall have been submitted to and approved in writing by the Architectural Committee. Such plans and specifications shall be in such form and shall contain such information, as may be required by the Architectural Committee, but in any event shall include (i) a site plan of the Parcel showing the nature, exterior color scheme, kind, shape, height, materials and location with respect to the particular Parcel (including proposed front, rear and side setbacks and free spaces, if any

are proposed) of all Structures, the location thereof with reference to Structures on adjoining portions of the Property, and the number and location of all parking spaces and driveways on the Parcel; (ii) a clearing plan for the particular Parcel showing the location of sanitary sewer service lines, and such other information required by the Architectural Committee; (iii) a drainage plan; and (iv) plan for landscaping.

11.3 Basis For Disapproval of Plans. The Architectural Committee shall have the right to disapprove any plans and specifications submitted hereunder because of any of the following:

(a) failure of such plans or specifications to comply with any of the Restrictions;

(b) failure to include information in such plans and specifications as may have been reasonably requested;

(c) objection to the exterior design, appearance or materials of any proposed Structure;

(d) incompatibility of any proposed Structure or use with existing Structures or uses upon other Parcels in the vicinity;

(e) objections to the location of any proposed Structure upon any Parcel or with reference to other Parcels in the vicinity;

(f) objection to the site plan, clearing plan, drainage plan or landscaping plan for any Parcel;

(g) objection to the color scheme, finish, proportions, style of architecture, height, bulk, or appropriateness of any proposed Structure;

(h) objection to parking areas proposed for any Parcel on the grounds of (i) incompatibility to proposed uses and Structures on such Parcel or (ii) the insufficiency of the size of parking areas in relation to the proposed use of the Parcel;

(i) failure of plans to take into consideration the particular topography, vegetative characteristics, and natural environment of the Parcel; or

(j) any other matter which, in the judgment of the Architectural Committee, would render the proposed Structure,

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Structures or uses inharmonious with the general plan of improvement of the Property or with Structures or uses located upon other Parcels in the vicinity.

Approval of any such plans shall terminate and be rendered void if construction is not begun within six (6) months after such approval unless such six (6) month period is extended by agreement with the Architectural Committee in which event the extended time period shall be applicable.

In any case where the Architectural Committee shall disapprove any plans and specifications submitted hereunder, or shall approve the same only as modified or upon specified conditions, such disapproval or qualified approval shall be accompanied by a statement of the grounds upon which such action was based. In any such case the Architectural Committee shall, if requested, make reasonable efforts to assist and advise the applicant in order that an acceptable proposal can be prepared and submitted for approval.

11.4 Retention of Copy of Plans. Upon approval by the Architectural Committee of any plans and specifications submitted hereunder, a copy of such plans and specifications, as approved, shall be deposited for permanent record with the Architectural Committee, and a copy of such plans and specifications bearing such approval, in writing, shall be returned to the applicant submitting the same.

11.5 Site to be Staked Prior to Tree Cutting. After the plan for the Structure is approved, the site of the Structure must be staked out and such site approved by the Committee before tree cutting is done. No tree may be cut or removed without consent of the Architectural Committee until the building plans, site plans, and site staking are approved by the Architectural Committee.

11.6 Rules of Architectural Committee; Effect of Approval and Disapproval; Time for Approval. The Architectural Committee may promulgate rules governing the form and content of plans to be submitted for approval or requiring specific improvements on Parcels, including, without limitation, exterior

lighting and planting, and may issue statements of policy with respect to approval or disapproval of the architectural styles or details, or other matters, which may be presented for approval. Such rules and such statements of policy may be amended or revoked by the Architectural Committee at any time, and no inclusion in, omission from or amendment of any such rule or statement shall be deemed to bind the Architectural Committee to approve or disapprove any feature or matter subject to approval, or to waive the exercise of the Architectural Committee's discretion as to any such matter, but no change of policy shall affect the finality of any approval granted prior to such change. Approval for use on any Parcel of any plans or specifications shall not be deemed a waiver of the Architectural Committee's right, in its discretion, to disapprove such plans or specifications or any of the features or elements included therein if such plans, specifications, features or elements are subsequently submitted for use on any other Parcel or Parcels. Approval of any such plans and specifications relating to any Parcel, however, shall be final as to that Parcel and such approval may not be revoked or rescinded thereafter, provided, (i) that the Structures or uses shown or described on or in such plans and specifications do not violate any specific prohibition contained in the Restrictions, and (ii) that the plans and specifications, as approved, and any condition attached to any such approval, have been adhered to and complied with in regard to all Structures on and uses of the Parcel in question.

In the event that the Architectural Committee fails to approve or disapprove any plans and specifications as herein provided within thirty (30) days after submission thereof, the same shall be deemed to have been approved, as submitted, and no further action shall be required.

11.7 Failure to Obtain Approval. If any Structure shall be altered, erected, placed or maintained upon any Parcel, or any new use commenced on any Parcel, otherwise than in accordance with plans and specifications approved by the Architectural Committee pursuant to the provisions of this

Article XI, such alteration, erection, maintenance or use shall be deemed to have been undertaken in violation of this Article XI, and without the approval required herein, and, upon written notice from the Architectural Committee, any such Structure so altered, erected, placed or maintained upon any Parcel in violation hereof shall be removed or realtered, and any such use shall be terminated, so as to extinguish such violation.

If fifteen (15) days after the notice of such a violation the Owner of the Parcel upon which such violation exists shall not have taken reasonable steps toward the removal or termination of the same, DEVELOPER or RRA shall have the right, through its agents and employees, to enter upon such Parcel and to take such steps as may be necessary to extinguish such violation and the cost thereof shall be a binding, personal obligation of such Owner as well as a lien (enforceable in the same manner as a mortgage) upon the Parcel in question. The lien provided in this Section 11.7 shall not be valid as against a bona fide purchaser (or bona fide mortgagee) of the Parcel in question unless a suit to enforce said lien shall have been filed in a court of record in Jefferson County and Shelby County prior to the recordation among the Land Records of Jefferson County and Shelby County of the deed (or mortgage) conveying the Parcel in question to such purchaser (or subjecting the same to such mortgage).

11.8 Certificate of Compliance. Upon completion of the construction or alteration of any Structure in accordance with plans and specifications approved by the Architectural Committee, the Architectural Committee shall, upon written request of the Owner thereof, issue a certificate of compliance in form suitable for recordation, identifying such Structure and the Parcel on which such Structure is placed, and stating that the plans and specifications, the location of such Structure and the use or uses to be conducted thereon have been approved and that such Structure complies with the requirements of the Committee. Preparation and recording of such certificate shall be at the expense of such Owner. Any certificate of compliance issued in accordance with the provisions of this Section 11.8

shall be prima facie evidence of the facts therein stated, and as to any purchaser or encumbrancer in good faith and for value, or as to any title insurer, such certificate shall be conclusive evidence that all Structures on the Parcel, and the use or uses described therein comply with all the requirements of this Article XI, and with all other requirements of this Declaration as to which the Architectural Committee exercises any discretionary or interpretive powers.

11.9 Inspection and Testing Rights. Any agent of DEVELOPER, RRA or the Architectural Committee may at any reasonable time or times enter upon and inspect any Parcel and any improvements thereon for the purpose of ascertaining whether the maintenance of such Parcel and the maintenance, construction, or alteration of Structures thereon are in compliance with the provisions hereof; and neither DEVELOPER, RRA nor the Architectural Committee nor any such agent shall be deemed to have committed a trespass or other wrongful act by reason of such entry or inspection. Without limitation upon other inspection rights, in order to implement inspection and testing of sanitary sewer lines, each owner agrees to notify the Architectural Committee prior to its installation of the sanitary sewer service lines and to permit such inspection and testing thereof by the Architectural Committee both before and after backfill as is required by the Architectural Committee.

11.10 Waiver of Liability. Neither the Committee nor any architect nor agent thereof, nor RRA, nor DEVELOPER, nor Harbert Construction Corporation, nor The Equitable Life Assurance Society of the United States, nor any agent or employee of any of the foregoing, shall be responsible in any way for any failure of Structures to comply with requirements of this Declaration, although a certificate of compliance has been issued, any defects in any plans and specifications submitted, revised or approved in accordance with the foregoing provisions, nor for any structural or other defects in any work done according to such plans and specifications and all persons submitting any such plans and specifications, and all persons relying thereon, agree not to sue or claim against the entities and persons referred

to in this Section 11.10 for any cause arising out of the matters referred to in this Section 11.10 and further agree to and do hereby release said entities and persons for any and every such cause.

ARTICLE XII

GENERAL COVENANTS AND RESTRICTIONS

SECTION 12.1 Without the prior written approval of the Architectural Committee:

12.1.1 No previously approved Structure shall be used for any purpose other than that for which it was originally designed;

12.1.2 No Parcel shall be split, divided, or subdivided for sale, resale, gift, transfer or otherwise;

12.1.3 To the extent of the interest of the Owner of a Parcel, no facilities, including poles and wires, for the transmission of electricity, telephone messages and the like shall be placed or maintained above the surface of the ground on any Parcel and no external or outside antennas of any kind shall be maintained except on the rear portion of the Parcel; and

12.1.4 No boat, boat trailer, house trailer, trailer, motor home or any similar items shall be stored in the open on any Parcel for a period of time in excess of twenty-four (24) hours.

12.2 Preservation of Trees. No tree having a diameter of six (6) inches or more (measured from a point two feet above ground level) shall be removed from any Parcel without the express written authorization of the Architectural Committee. The Architectural Committee, in its discretion, may adopt and promulgate rules and regulations regarding the preservation of trees and other natural resources and wildlife upon the Property. If it shall deem it appropriate, the Architectural Committee may mark certain trees, regardless of size, as not removable without written authorization. In carrying out the provisions of this Section 12.2, Developer, RRA, and the Architectural Committee and the respective agents of each may come upon any Parcel during reasonable hours for the purpose of inspecting or marking trees or in relation to the enforcement and administration of any rules and regulations adop-

ted and promulgated pursuant to the provisions hereof. Neither RRA nor the Architectural Committee, nor DEVELOPER, nor their respective agents shall be deemed to have committed a trespass or wrongful act by reason of any such entry or inspection.

12.3 Animals. No animals, livestock, insects or poultry shall be kept or maintained on any Parcel without the express written consent of the Architectural Committee except the usual household pets may be kept on any Parcel for purposes other than breeding or commercial.

12.4 Signs. No sign or other advertising device of any nature shall be placed upon any Parcel except as provided herein. The Architectural Committee may, in its discretion, adopt and promulgate rules and regulations relating to signs which may be employed. Signs and other advertising devices may be erected and maintained upon any portion of the Property if approved by the Architectural Committee, as to color, location, nature, size and other characteristics of such signs or devices.

12.5 Temporary Structures. No temporary building, trailer, garage or building in the course of construction or other Structure shall be used, temporarily, or permanently, as a residence on any Parcel.

12.6 Accumulation of Refuse. No lumber, metals, bulk materials, (except lumber, metals, bulk materials as is usual in the maintenance of a private residence and which must be stored in such a manner so that it cannot be seen from adjacent and surrounding property), refuse or trash shall be kept, stored, or allowed to accumulate on any Parcel, except building materials during the course of construction of any approved Structure. If trash or other refuse is to be disposed of by being picked up and carried away on a regular and recurring basis, containers may be placed in the open, on any day that a pick-up is to be made, at such place on the Parcel so as to provide access to persons making such pick-up. At all other times such containers shall be stored in such a manner so that they cannot be seen from adjacent and surrounding property.

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The Architectural Committee, in its discretion, may adopt and promulgate reasonable rules and regulations relating to the size, shape, color and type of containers permitted and the manner of storage of the same on the Property.

12.7 Pipes. To the extent of the interest of the Owners of a Parcel, no water pipe, gas pipe, sewer pipe or drainage pipe shall be installed or maintained on any Parcel above the surface of the ground, except hoses and movable pipes used for irrigation purposes.

12.8 Mining. To the extent of the interest of the Owner of a Parcel, no Parcel shall be used for the purpose of boring, mining, quarrying, exploring for or removing oil or other hydrocarbons, minerals, gravel or earth.

12.9 Maintenance of Hedges and Plants. DEVELOPER, RRA and the Committee shall have the right to enter upon any Parcel and trim or prune, at the expense of the Owner, any hedge or other planting which in the opinion of DEVELOPER, RRA or the Committee, by reason of its location upon the Parcel or the height to which it is permitted to grow, is unreasonably detrimental to the adjoining property or obscures the view of street traffic or is unattractive in appearance; provided, however, that the Owner shall be given fifteen (15) days' prior written notice of such action.

12.10 Business Activity. No profession or home industry shall be conducted in or on any part of a Parcel or in any improvement thereon on the Property without the specific written approval of the Architectural Committee. The Architectural Committee, in its discretion, upon consideration of the circumstances in each case, and particularly the effect on surrounding property, may permit a Parcel or any improvement thereon to be used in whole or in part for the conduct of a profession or home industry. No such profession or home industry shall be permitted, however, unless it is considered, by the Architectural Committee, to be compatible with a high quality residential neighborhood. The following activities, without limitation, may be permitted by the Architectural Committee in its

discretion: music, art and dancing classes; day nurseries and schools; medical and dental offices; fraternal or social club meeting place; seamstress services.

12.11 Model House, Real Estate Office. All else herein notwithstanding, with the written approval of the Architectural Committee, any Parcel may be used for a model home or for a real estate office until 1990 or such earlier time as the DEVELOPER so designates.

12.12 Clothes Lines. No clothing or any other household fabrics shall be hung in the open on any Parcel unless the same are hung from an umbrella or retractable clothes hanging device which is removed from view when not in use or unless the same are enclosed by a fence or other enclosure at least six inches higher than such hanging articles, provided such fence or other enclosure is approved by the Architectural Committee.

12.13 Machinery. No machinery shall be placed or operated upon any Parcel except such machinery as is usual in maintenance of a private residence.

12.14 Use Authorized by Architectural Committee. Notwithstanding other provisions herein, the Architectural Committee may authorize any Owner with respect to his Parcel to:

(a) temporarily use a single family dwelling house for more than one family;

(b) maintain a sign other than as expressly permitted herein;

(c) locate Structures other than the principal dwelling house within set-back areas; or

(d) use Structures other than the principal dwelling house for residence purposes on a temporary basis.

12.15 Mail boxes. The design of all mail-boxes must be approved by the Architectural Committee and free standing mail boxes equipped with lighting may be required in some or all sections of the Property.

12.16 Outside Burning. Outside or open burning of trash, refuse or other material upon any Parcel is prohibited.

12.17 Nuisance. No obnoxious, offensive or illegal activities shall be carried on upon any Parcel nor shall anything be done on any Parcel which may be or may become an annoyance or nuisance to the neighborhood.

12.18 Underground Utilities. To the extent of the interest of the Owner of a Parcel, the owner of a Parcel will not erect or grant to any person, firm or corporation the right, license or privilege to erect or use or permit the use of overhead wires, poles, or overhead facilities of any kind for electrical or telephone service on said real estate (except such poles and overhead facilities as may be required at those places where distribution facilities enter and leave the particular area) without the prior written consent of the Architectural Committee. Nothing herein shall be construed to prohibit overhead street lighting or ornamental yard lighting, where serviced by underground wires or cables.

Where underground electric service is to be installed, in order to permit installation of underground electric service to each Parcel for the mutual benefit of all owners therein, no Owner of any such Parcel will commence construction of any house on any such Parcel until such Owner (1) notifies the electric utility that such construction is proposed, (2) grants in writing to the electric utility such rights and easements as the electric utility requires in connection with its construction, operation, maintenance and removal of underground service lateral on each Parcel, and (3) otherwise complies with the Rules and Regulations for Underground Residential Distribution on file with and approved by the Alabama Public Service Commission.

If required by the electric utility, such electric utility, its successors and assigns, may retain title to the underground service lateral and outdoor metering trough or house-power box (exclusive of circuit breakers) serving each said house, and said service entrance facilities provided by such utility will not in any way be considered a fixture or fixtures

and thereby a part of said real estate, but will remain personal property belonging to such utility, its successors and assigns, in accordance with applicable Rules and Regulations filed with and approved by the Alabama Public Service Commission.

12.19 Connection Points For Utility Service Lines. To the extent of the interests of the Owner of each Parcel, such Owners agree to connect utility service lines (including, but not limited to, gas, water, sewer and electricity) at points designated by Developer.

12.20 Construction Period. With respect to each Residential Parcel, construction of the residential building is to be completed within two (2) years from the date of purchase of the Parcel and within one (1) year from the date of beginning construction. In addition to all other rights and remedies for breach of these Restrictions, in the event this restriction is not fully complied with, Developer shall have the right, but not the obligation, to repurchase the Parcel for an amount not to exceed the purchase price paid Developer for the Parcel without interest.

12.21 Repurchase Option. In the event the Owner of a Parcel desires to convey the Parcel prior to the expiration of one year after the purchaser from Developer, and in the further event that the Owner has not begun construction of the building thereon, Developer shall have and retains the option to purchase such Parcel for an amount not to exceed the purchase price paid to Developer for the Parcel without interest. Owner shall give Developer written notice of Owner's desire to sell such Parcel and Developer shall have thirty (30) days after receipt thereof to exercise its option to purchase.

12.22 Annexation. Each Owner agrees that prior to January 1, 1986, such Owner will not, without prior written consent of RRA, support or consent to any Annexation, attempt to annex or attempt to incorporate any part of Riverchase Property into a municipal corporation.

12.23 Sewage Treatment Facilities. Sewage treatment facilities available to Owners may be provided by

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Developer, RRA, Riverchase Business Association, Inc., or some other entity other than a governmental authority. In such event, by accepting a deed to a Parcel, the Owner covenants and agrees to pay to the entity operating such sewage treatment facilities a monthly, quarterly or annual sewage treatment fee or charge to cover the cost of providing such services; provided, however, that such fee or charge shall not exceed the fee or charge imposed on users of the sewer services of the sewer authority of Shelby County, Alabama, during such time as Shelby County is providing such sewer services. It is agreed that the sewage treatment fee shall be charged on the land and constitute a continuing lien upon such Parcel against which such fee is charged, except that such lien shall be subordinate to prior recorded bona fide mortgages. Such fee charged and the cost of collection thereof shall be the personal obligation of the person owning such property at the time the fee becomes due. The charges of fees for sewage treatment shall be in addition to and apart from the assessments levied in accordance with these Restrictions. In the event a governmental authority or agency assumes operation of the sewage treatment facilities, such governmental authority or agency will set the rates, fees or charges for such services and these Restrictions shall not be a limitation thereon.

12.24 Sanitary Sewer Service Lines. The material for sanitary sewer service lines must be approved by the Architectural Committee and ductile lines may be required in some or all sections of the Property.

ARTICLE XIII

WATERFRONT AREAS AND WATERWAYS

SECTION 13.1 Any Parcel which shall abut upon any lake, stream, river, canal or other waterway (hereinafter collectively referred to as "Waterways") shall be subject to the following additional restrictions:

13.1.1 No wharf, bulkhead, or other structure or obstruction shall be built or maintained upon any waterfront site or into or upon any Waterway on the Property

or adjacent thereto except with the specific written approval of the Architectural Committee. In no event shall any such structure or obstruction be permitted if it is deemed to offer any threat whatsoever to safe navigation upon such Waterway or to the safe and convenient use of such Waterway as a recreation facility.

13.1.2 Except with prior written approval of RRA, no boat canal shall be constructed upon any Parcel nor shall any facility or device be constructed or installed upon any Parcel which shall in any way alter the course of or natural boundaries of any Waterway or which shall involve or result in the removal of water from any Waterway.

13.1.3 Except with prior written approval of RRA, no boats, boat railways, launching facilities or any similar type of structures or equipment shall be installed, constructed or maintained upon any Lot, nor shall any boat or boat trailer be stored on any Lot in such manner as to be visible from surrounding properties or from the abutting Waterway.

13.2 No boat of any kind shall be operated upon any Waterway on the Property without the prior written approval of RRA and even if such approval is granted, such operation shall conform to all rules and regulations promulgated by RRA concerning the use of boats.

13.3 No garbage, trash or other refuse shall be dumped into any Waterway on the Property.

13.4 No consent or authority to use any waterway on the Property is granted or implied by these Restrictions and such use may be prohibited or unauthorized.

ARTICLE XIV

ZONING AND SPECIFIC RESTRICTIONS

SECTION 14.1 The Restrictions shall not be taken as permitting any action or thing prohibited by the applicable zoning laws, or the laws, rules or regulations of any governmental authority, or by specific restrictions imposed by any deed or lease. In the event of any conflict, the most restrictive provision of such laws, rules, regulations, deeds, leases or the Restrictions shall be taken to govern and control.

ARTICLE XV

EASEMENTS

SECTION 15.1 Except with prior written permission from DEVELOPER, or when so designated by DEVELOPER, from the Architectural Committee, drainage flow shall not be obstructed nor be diverted from drainage swales, storm sewers and/or utility easements as designated herein, or as may hereafter appear on any plat of record in which reference is made to these covenants. DEVELOPER may cut drainways for surface water wherever and whenever such action may appear to DEVELOPER to be necessary in order to maintain reasonable standards of health, safety and appearance. These easements and rights expressly include the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health and appearance. Except as provided herein, existing drainage shall not be altered in such a manner as to divert the flow of water onto an adjacent lot or lots. The provision hereof shall not be constructed to impose any obligation upon DEVELOPER to cut such drainways.

15.2 Grading. DEVELOPER may at any time make such cuts and fills upon any Parcel or other part of the Riverchase Property and do such grading and moving of earth as, in its judgment, may be necessary to improve or maintain the streets in or adjacent to the Riverchase Property and to drain surface waters therefrom; and may assign such rights to Shelby or Jefferson County or to any municipal or public authority; provided however, that after the principal Structure upon a Parcel shall have been completed in accordance with the plans and specifications approved by the Architectural Committee as provided herein, the rights of DEVELOPER under this Section 15.2 shall terminate with respect to all parts of each Parcel other than the easement area thereof, except that DEVELOPER or any such municipal or public authority shall thereafter have the right to maintain existing streets and drainage structures.

15.3 Golf Course. An easement to permit the doing of every act necessary and proper to the playing of golf on the golf course adjacent to the Parcels which are subject

to these restrictions is hereby granted and established. These acts shall include, but not be limited to retrieval of golf balls provided such golf balls can be recovered without damaging any flowers, shrubbery or the property in general; the flight of golf balls over and upon such parcels; the use of necessary and usual equipment upon such golf course; the usual and common noise level created by the playing of the game of golf; together with all other common and usual activity associated with the game of golf and with all the normal and usual activities associated with the operation of a country club.

ARTICLE XVI

GENERAL

SECTION 16.1 Grantee's Acceptance. The grantee of any Parcel subject to the coverage of these Restrictions, by acceptance of the deed or other instrument conveying an interest in or title to, or the execution of a contract for the purchase thereof, whether from DEVELOPER or a subsequent owner of such Parcel, shall accept such deed or other contract upon and subject to each and all of these Restrictions herein contained.

16.2 Indemnity For Damages. Each and every Parcel Owner and future Parcel Owner, in accepting a deed or contract for any Parcel subject to these Restrictions, agrees to indemnify Developer for any damage caused by such Owner, or the contractor, agent or employees of such Owner, to roads, streets, gutters, walkways or other aspects of public ways, including all surfacing thereon, or to water, drainage or storm sewer lines or sanitary sewer lines.

16.3 Severability. Every one of the provisions and restrictions herein contained is hereby declared to be independent of, and severable from the rest of the provisions and restrictions and of and from every other one of the provisions and restrictions and of and from every combination of the provisions and restrictions. Invalidation by any court of any provision or restriction in this Declaration shall in no way affect any of the other provisions or restrictions which shall remain in full force and effect.

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16.4 Right of Developer to Modify Restrictions

With Respect to Unsold Parcels. With respect to any unsold Parcel, DEVELOPER may include in any contract or deed herein-after made or entered into, such modifications and/or additions to these Restrictions as DEVELOPER in his discretion desires.

16.5 Captions. The captions preceding the various paragraphs and subparagraphs of these Restrictions are for the convenience of reference only, and none of them shall be used as an aid to the construction of any provision of the Restrictions. Wherever and whenever applicable, the singular form of any word shall be taken to mean or apply to the plural, and the masculine form shall be taken to mean or apply to the feminine or to the neuter.

16.6 Effect of Violation on Mortgage Lien.

No violation of any of these Restrictions shall defeat or render invalid the lien of any mortgage made in good faith and for value upon any portion of the Property; provided, however, that any mortgagee in actual possession, or any purchaser at any mortgagees' or foreclosure sale shall be bound by and subject to these Restrictions as fully as any other Owner of any portion of the Property.

16.7 No Reverter. No Restriction herein

is intended to be, or shall be construed as, a condition subsequent or as creating a possibility of reverter.

16.8 Duration and Amendment. The Restr

ictions contained in this Declaration shall run with and bind the Property, shall inure to the benefit of and shall be enforceable by DEVELOPER, RRA, the Architectural Committee, and the Owner of any Parcel included in the Property, their respective legal representatives, heirs, successors and assigns until the 31st day of December in the year 2000, after which time said Restrictions shall be automatically extended for successive periods of ten years. This Declaration may not be amended in any respect (except with regard to the annexation of Additional Member's Property) except by the execution of an instrument signed by not less than 75% of the Parcel Owners, which instrument shall be filed for recording among the Land Records of

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Jefferson and Shelby Counties, Alabama, or in such other place of recording as may be appropriate at the time of the execution of such instrument. After December 31, 2000, this declaration may be amended and/or terminated in its entirety by an instrument signed by not less than 55% of the Parcel Owners which instrument shall be filed for recording among the Land Records of Jefferson and Shelby Counties, Alabama, or in such other place of recording as may be appropriate at the time of the execution of such instrument.

16.9 Enforcement. In the event of a violation or breach of any of these Restrictions, or any amendments thereto by any Owner, or family or agent of such Owner; the Owner(s) of Parcel(s), RRA, DEVELOPER, its successors and assigns, or any party to whose benefit these Restrictions inure shall have the right to proceed at law or in equity to compel compliance with the terms and conditions hereof, to prevent the violation or breach of said restrictions, to sue for and recover damages or other dues, or take all such courses of action at the same time, or such other legal remedy it may deem appropriate. No delay or failure on the part of an aggrieved party to initiate an available remedy set forth herein shall be held to be a waiver of that party or an estoppel of that party or of any other party to assert any right available to him upon the recurrence or continuation of said violation or the occurrence of a different violation.

Damages shall not be deemed adequate compensation for any breach or violation of any provision hereof, but any person or entity entitled to enforce any provision hereof shall be entitled specifically to relief by way of injunction as well as any other available relief either at law or in equity.

Any party to a proceeding who succeeds in enforcing a Restriction or enjoining the violation of a Restriction against a Parcel Owner may be awarded a reasonable attorney's fee against such Parcel Owner.

16.10 Interpretation by Developer and RRA. DEVELOPER and RRA shall have the right to construe and inter-

pret the provisions of this Declaration, and in absence of an adjudication by a court of competent jurisdiction to the contrary, its construction or interpretation shall be final and binding as to all persons or property benefited or bound by the provisions hereof.

16.11 Assignment by RRA. RRA shall be empowered to assign its rights hereunder to any successor non-profit membership corporation (herein referred to as the "Successor Corporation") and, upon such assignment the Successor Corporation shall have all the rights and be subject to all the duties of RRA hereunder.

16.12 No Waiver. The failure of any party entitled to enforce any of these Restrictions herein contained shall in no event be considered a waiver of the right to do so thereafter, as to the same violation or breach or as to such a violation or breach occurring prior or subsequent thereto.

IN WITNESS WHEREOF, THE HARBERT-EQUITABLE JOINT VENTURE, an Alabama General Partnership, has caused these Restrictions to be properly executed by each partner by their respective duly authorized officers.

THE HARBERT-EQUITABLE JOINT VENTURE,
an Alabama General Partnership

Witnesses:

By: THE EQUITABLE LIFE ASSURANCE
SOCIETY OF THE UNITED STATES

By [Signature]
its Division Manager

Witnesses:

By: HARBERT CONSTRUCTION CORPORATION

By [Signature]
its

STATE OF Georgia)

Fulton COUNTY)

I, Charles H. Pugh, a Notary Public in and for said County in said State, hereby certify that James M. Pugh whose name as President of The Equitable Life Assurance Society of the United States, a corporation as General Partner of The Harbert-Equitable Joint Venture, under Joint Venture Agreement dated January 30, 1974, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation as General Partner of The Harbert-Equitable Joint Venture.

Given under my hand and official seal, this the 5th day of March, 1976.

Charles H. Pugh
Notary Public

My Commission Expires:

July 16, 1976

STATE OF ALABAMA)

Jefferson COUNTY)

I, Judy Ann Johnson, a Notary Public in and for said County in said State, hereby certify that Edmund M. Pugh whose name as President of Harbert Construction Corporation, a corporation, as General Partner of The Harbert-Equitable Joint Venture, under Joint Venture Agreement dated January 30, 1974, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such officer, and with full authority, executed the same voluntarily for and as the act of said corporation as General Partner of The Harbert-Equitable Joint Venture.

Given under my hand and official seal, this the 5th day of March, 1976.

Judy Ann Johnson
Notary Public

My Commission Expires:

July 16, 1976

BOOK 14 PAGE 573

EXHIBIT "A"

Property acquired by The Harbert-Equitable Joint
Venture by the following deeds:

1. Deed dated February 4, 1974, recorded in Jefferson County, Birmingham Division, Book 1035, page 584, Bessemer Division, Book 220, page 190, and Shelby County Book 285, page 206.
2. Deed dated August 19, 1974, recorded in Jefferson County, Bessemer Division, Book 234, page 790, and Shelby County Book 288, page 411.
3. Deed dated April 26, 1974, recorded in Jefferson County, Birmingham Division, Book 1061, Page 678.
4. Deed dated August 19, 1974, recorded in Shelby County Book 288, page 418.
5. Deed dated October 24, 1974, recorded in Jefferson County, Birmingham Division, Book 1117, page 805.
6. Deed dated February 4, 1975, recorded in Jefferson County, Bessemer Division, Book 242, page 224.
7. Deed dated May 30, 1975, recorded in Jefferson County, Birmingham Division, Book 1179, page 56.

Less and except the following tracts of land:

- BOOK 11 PAGE 574
1. A tract of land located in the West 1/2 of the Northwest 1/4 of Section 29, Township 19 South, Range 2 West, Shelby County, Alabama, and being more particularly described as follows:

Begin at the Southeast corner of the Southwest 1/4 of the Northwest 1/4 of said Section 29; thence North 89° 14' 05" West along the South boundary of said Northwest 1/4 a distance of 526.01 feet, more or less, to a point (said point being 800 feet east of the SW corner of the SW 1/4 of NW 1/4); thence North 00° 23' 05" West a distance of 1166.55 feet to a point; thence North 46° 23' 20" East 717.90 feet to a point; thence South 00° 28' 50" East along the east boundary of the West 1/2 of the Northwest 1/4 of said Section 29, a distance of 1668.79 feet to the point of beginning.

2. A tract of land containing 4.74 acres, more or less, and located in the west one-half of the northwest quarter (W1/2 of NW 1/4) of Section 29, Township 19 South, Range 2 West, Shelby County, Alabama, being more particularly described as follows:

Start at the southeast corner of the southwest quarter of the northwest quarter of Section 29, Township 19 South, Range 2 West of the Huntsville Meridian; thence north 89° 14' 05" west along the south boundary of said northwest quarter a distance of 526.01 feet to an iron pipe; thence north 00° 23' 05" west a distance of 1166.55 feet to an iron rod for a point of beginning. From the point of beginning, thence north 46° 23' 20" east 717.90 feet to an iron rod, thence north along the east boundary of the west one-half of the northwest quarter of said Section 29, a distance of 382.85 feet, more or less, to the southerly right-of-way line of Valleydale Road; thence left along the said Valleydale Road right-of-way line 717.19 feet to a point, thence left 383.44 feet to a point of beginning.

3. A tract of land containing 3.44 acres, more or less, located in the Southeast quarter of the Southeast quarter (SE-1/4 of SE-1/4), of Section 13, Township 19 South, Range 3 West, Jefferson County, Alabama, being more particularly described as follows:

Commence at the Southeast corner of the SE-1/4 of SE-1/4 of Section 13, Township 19, Range 3 West, thence North 00° 10' 00" West, 331.96 feet to the North right-of-way line of an unnamed road, and the Point of Beginning; thence South 71° 34' 00" West, 60.41 feet along said right-of-way to the beginning of a curve to the left, said curve having a central angle of 12° 00' 00" and a radius of 602.96 feet; thence continue along said curve and right-of-way 126.28 feet; thence South 59° 34' 00" West, 27.07 feet along said right-of-way to a point on a curve, said curve being the North right-of-way line of Data Center Drive; thence 89° 47' 40" right tangent to a curve to the left, said curve having a central angle of 37° 12' 56" and a radius of 788.94 feet; thence continue along said curve and right-of-way 512.44 feet; thence North 22° 33' 50" East, 88.21 feet; thence North 89° 50' 00" East 539.64 feet; thence South 00° 10' 00" East 329.49 feet to point of beginning.

BOOK 14 PAGE 575

4. A tract of land situated in the West 1/2 of the SE 1/4 of Section 30, Township 19 South, Range 2 West, Shelby County, Alabama, and being more particularly described as follows:

Commence at the Southeast corner of the SW 1/4 of the SE 1/4 of Section 30, Township 19 South, Range 2 West, which is the Point of Beginning; thence run N 88° 07' 17" W along the South line of said 1/4-1/4 section line 1,331.89 feet; thence N 00° 19' 25" W 1,477.28 feet to the South Right-of-Way line of Valleydale Road; thence N 57° 18' 52" E 1,569.98 feet; thence S 00° 26' 20" E 2,368.81 feet to the Point of Beginning and containing 58.67 Acres, more or less.

5. A tract of land containing 21.50 acres, more or less, located in Section 18, Township 19 South, Range 2 West, Jefferson County, Alabama, being more particularly described as follows:

Begin at the NE corner of the SW-1/4 of the SW-1/4 of said section; thence S 87° 59' 52" E, 1,055.23 feet to an iron pin found; thence S 00° 07' 00" E, 451.86 feet to a point; said point being the intersection with the northerly right-of-way line of a proposed road; thence 71° 39' 39" right tangent to a curve to the right; thence running along said curve an arc distance of 171.88 feet, said curve having a central angle of 07° 01' 21" and a radius of 1,402.39 feet to a point; thence continue along said proposed right-of-way S 78° 34' 00" W 697.59 feet to a point; thence along a curve to the left an arc distance of 297.97 feet, said curve having a central angle of 17° 20' 00" and a radius of 984.93 feet to a point; thence continue along said proposed right-of-way S 61° 14' 00" W 219.76 feet to a point; thence along a curve to the right an arc distance of 117.34 feet, said curve having a central angle of 12° 42' 33" and a radius of 528.98 feet; thence leaving said proposed right-of-way N 00° 08' 40" W 6.78 feet to an iron pin found; thence continue N 00° 08' 40" W 930.00 feet to an iron pin found; thence S 87° 59' 52" E 376.43 feet to an iron pin found and the point of beginning.

6. Parcel No. 1:

To locate the point of beginning, commence at the northeast corner of the southwest quarter of section 30, township 19 south, range 2 west of the Huntsville Meridian, thence south $00^{\circ}19'25''$ east along the east line of said quarter 754.67 feet to an iron rod and the point of beginning; thence continue south $00^{\circ}19'25''$ east along said quarter line 310.00 feet to an iron rod on the northwest margin of the right-of-way of Valleydale Road, thence with said margin south $57^{\circ}18'50''$ west 295.97 feet to an iron rod, thence leaving said margin north $00^{\circ}19'25''$ west 468.43 feet to an iron rod, thence north $89^{\circ}40'35''$ east 250.00 feet to the point of beginning. All lying in the northeast quarter of the southwest quarter of section 30, township 19 south, range 2 west of the Huntsville Meridian in Shelby County, Alabama, and containing 2.234 acres, more or less; and

Parcel No. 2:

Begin at the northeast corner of the southwest quarter of section 30, township 19 south, range 2 west of the Huntsville Meridian, thence south $00^{\circ}19'25''$ east along the east line of said quarter 754.67 feet to an iron rod, thence south $89^{\circ}40'35''$ west 250.00 feet to an iron rod, thence north $00^{\circ}19'25''$ west 788.00 feet to an iron rod, thence north $89^{\circ}40'35''$ east 250.00 feet to an iron rod, thence south $00^{\circ}19'25''$ east 33.33 feet to an iron rod and the point of beginning. All lying in the east one half of the west one half of section 30, township 19 south, range 2 west of the Huntsville Meridian in Shelby County, Alabama, and containing 4.522 acres, more or less.

7. West Half of Southwest Quarter (W 1/2 of SW 1/4), Section 34, Township 19 South, Range 3 West, located in Jefferson County, Alabama.
8. Property described in deed dated October 14, 1975, recorded in Book 295, page 138, in the office of the Judge of Probate of Shelby County, Alabama.

14 DEC 577

BOOK

Check index to
map of record

1975 MAR - 9 PM 12:53
SHELBY COUNTY, ALA.
JUDGE OF PROBATE
OFFICE

STATE OF ALABAMA)

1584

COUNTY OF SHELBY)

RIVERCHASE COVENANTS
R E S I D E N T I A L

AMENDMENT NO. 1 TO THE
DECLARATION OF PROTECTIVE COVENANTS,
AGREEMENTS, EASEMENTS, CHARGES AND
LIENS FOR RIVERCHASE (RESIDENTIAL)

KNOW ALL MEN BY THESE PRESENTS, That:

WHEREAS, THE HARBERT-EQUITABLE JOINT VENTURE, under Joint Venture Agreement dated January 30, 1974, an Alabama General Partnership composed of HARBERT CONSTRUCTION CORPORATION, a corporation, and THE EQUITABLE LIFE ASSURANCE SOCIETY OF THE UNITED STATES, a corporation (said Venture herein referred to as "DEVELOPER"), filed the Declaration of Protective Covenants, Agreements, Easements, Charges and Liens for Riverchase (Residential) in Book 14, beginning at Page 536, in the Office of the Judge of Probate of Shelby County, Alabama; and

WHEREAS, DEVELOPER desires to modify the covenants as provided in this Amendment No. 1 in order to revise the maximum annual assessment per parcel by the Board of the Riverchase Residential Association as provided in Section 3.1 thereof.

NOW, THEREFORE, DEVELOPER does hereby proclaim, publish and declare that the said Declaration of Protective Covenants, Agreements, Easements, Charges and Liens for Riverchase (Residential) is amended as set forth herein:

ARTICLE III

- (1) Section 3.1 Assessment: The last sentence of Section 3.1 of the Declaration of Protective Covenants is modified to read as follows:

"Provided further that prior to 1985 the maximum annual charge per parcel shall not exceed \$250.00 as may be adjusted upward annually in an amount not to exceed ten percent (10%) of said maximum amount which could have been charged the preceding year."

IN WITNESS WHEREOF, THE HARBERT-EQUITABLE JOINT VENTURE, an Alabama General Partnership, has caused this Amendment No. 1 to the Declaration of Protective Covenants to be properly executed by each partner by their respective duly authorized officers.

Witnesses:

THE HARBERT-EQUITABLE JOINT VENTURE,
an Alabama General Partnership

By: THE EQUITABLE LIFE ASSURANCE
SOCIETY OF THE UNITED STATES

By: Donald L. Egan
Its Division Manager

Clarence A. Wainwright
Lonnie J. Stephens

Witnesses:

By: HERBERT CONSTRUCTION CORPORATION

Stiel Hunter
C. W. Mathews

By: Edmund M. Deffen
Its Vice President

STATE OF ALABAMA)
JEFFERSON COUNTY)

I, Linda Smith, a Notary Public in and for said County, in said State, hereby certify that Donald D. Evans, whose name as Division Manager of The Equitable Life Assurance Society of the United States, a corporation as General Partner of The Harbert-Equitable Joint Venture, under Joint Venture Agreement dated January 30, 1974, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of this instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation as General Partner of The Harbert-Equitable Joint Venture.

Given under my hand and official seal, this the 15th day of October, 1976.

Linda Smith
Notary Public

My Commission Expires: April 16, 1978

STATE OF ALABAMA)
JEFFERSON COUNTY)

I, Judy Ann Johnson, a Notary Public in and for said County in said State, hereby certify that Edmund M. Deffen whose name as Vice President of Harbert Construction Corporation, a corporation as General Partner of The Harbert-Equitable Joint Venture, under Joint Venture Agreement dated January 30, 1974, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such officer, and with full authority, executed the same voluntarily for and as the act of said corporation as General Partner of The Harbert-Equitable Joint Venture.

Given under my hand and official seal, this the 20th day of November, 1976.

Judy Ann Johnson
Notary Public

My Commission Expires: 10/01/1981

BOOK 17 PAGE 551



BY-LAWS
OF
RIVERCHASE RESIDENTIAL ASSOCIATION, INC.

A Corporation not for Profit
under the Laws of the State of Alabama

These are the By-Laws of Riverchase Residential Association, Inc. (hereinafter for convenience called "Association" or "Corporation"), a corporation not for profit, incorporated under the laws of the State of Alabama.

ARTICLE I

ASSOCIATION

SECTION 1.1 Office. The office of the Association shall be at P. O. Box 1297, Birmingham, Alabama, or such other place as shall be selected by a majority of the Board of Directors.

1.2 Fiscal Year. The fiscal year of the Association shall be the calendar year.

1.3 Seal. The corporate seal of the Association shall consist of two concentric circles, between the edges of which shall be engraved the words: RIVERCHASE RESIDENTIAL ASSOCIATION, INC., Alabama, Not for Profit, and across the center thereof the words: Corporate Seal, all as shown by an imprint of such seal in the margin of these by-laws. Said seal may be used by causing it or a facsimile thereof to be impressed, affixed, reproduced or otherwise.

ARTICLE II

DEFINITIONS

SECTION 2.1 Association Land: That part of Riverchase Property which may at any time hereafter be owned by the Association for so long as the Association or successor thereof may be the owner thereof.

2.2 Board: The Board of Directors of the Association.

2.3 By-Laws: The duly enacted By-Laws of the Association.

2.4 Commercial Parcel: Any unit, lot, part or parcel of Riverchase Property designed for a commercial or business purpose or use including apartment projects.

2.5 Declaration: The Declaration of Protective Covenants, Agreements, Easements, Charges and Liens (Residential) applicable to Member's Property which shall be recorded in the Probate Records of Jefferson and/or Shelby Counties, Alabama, as the same may from time to time be supplemented or amended in the manner described therein.

2.6 Deed: Any deed, assignment, lease, or other instrument conveying fee title or a leasehold interest in any part of Riverchase Property subjected to the Declaration.

2.7 Developer: The developer of Riverchase, The Harbert-Equitable Joint Venture under Joint Venture Agreement dated January 30, 1974, an Alabama General Partnership, its successors and assigns.

2.8 Member: A person or other entity who is a record owner of Member's Property.

2.9 Member's Property: That portion of Riverchase Property which shall have been submitted to the Declaration for the purpose of creating a lien for assessments in favor of the Association. See also, Section 2.12.

2.10 Open Spaces or Common Areas: Riverchase Property which is conveyed to the Association by the owners or Developers of Riverchase or a part thereof.

2.11 Parcel: Includes both residential and commercial parcels.

2.12 Property or Subject Property or Member's Property: That part of Riverchase Property subjected to the Declaration.

2.13 Resident: Any person or persons occupying Member's Property.

2.14 Residential Parcel: Any unit, lot, part or parcel of the Property designed for a single family residence including condominium units and single family residential lots platted of record regardless of whether a dwelling has or has not been constructed on such lot.

2.15 Association: The Riverchase Residential Association, Inc., its successors and assigns.

2.16 Riverchase or Riverchase Property: The property described as Riverchase in the Declaration and other property which may be acquired by Developer and developed as a part of Riverchase. That part of Riverchase subjected to the Declaration is referred to as "Property", "Subject Property", or "Member's Property".

ARTICLE III

MEMBERSHIP

SECTION 3.1 Membership. The members of the Association shall consist of all owners of Member's Property and shall be all those persons or other entities as set forth in Article V of the Articles of Incorporation.

3.2 Classes of Membership. The Association shall have two classes of membership, Class A and Class B, each such Class consisting of those members meeting the applicable qualifications for membership in each respective Class, as set forth in Article V of the Articles of Incorporation.

3.3 Rights and Obligations of Membership. The members shall have all the rights, privileges, duties and obligations applicable to their respective Class of membership as set forth in the Declaration, the Articles of Incorporation, and elsewhere in these By-Laws.

3.4 Assessments. The rights of membership are subject to the payment of annual assessments and charges. The obligation of such assessments and charges is imposed against each owner of, and is a lien upon, the Member's Property against which such assessment or charge is made, as provided by Article III of the Declaration, which in substance provides as follows:

3.4.1 All Member's Property shall be subject to a continuing lien for assessments levied by the Association in accordance with the provisions of the Declaration, the Articles of Incorporation and these By-Laws. The annual assessments and charges together with interest thereon and the costs of collection thereof (including reasonable attorney's fees) as hereinafter provided, shall be a charge on, and shall be a continuing lien upon, the Member's Property against which each such assessment or charge is made. All Member's Property shall be held, transferred, sold, conveyed, used, leased, occupied, mortgaged and otherwise encumbered subject to all the terms and provisions of the Declaration, the Articles of Incorporation and these By-Laws applicable to Member's Property, including, but not limited to, the continuing lien herein described.

3.4.2 Personal Obligation of Members.

Unless otherwise provided in a deed or other conveyance, each Member, by acceptance of a deed or other conveyance to Member's Property, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association the annual assessments and charges, such assessments to be fixed, established and collected from time to time as hereinafter provided. Each such assessment, together with interest and cost of collection, including reasonable attorney's fees, shall be the personal obligation of the person who is the owner of such Member's Property at the time when the assessment fell due.

3.4.3 Purpose of Assessments.

The assessments levied by the Association shall be used exclusively for the purpose of providing any and all of the services and activities as may be to the mutual benefit of the Members; providing fire protection services to Riverchase, providing security for Residents and Members and property of Residents and Members; providing for garbage and waste collection and disposal, maintaining, operating and repairing of the Open Spaces, common recreational facilities, the lakes and roadway areas within Riverchase, the water and drainage system, waste water pump stations and other areas and structures beneficial or useful to the Member's Property, the payment of taxes and insurance on all property of the Association, and the repair, replacement and additions thereto, and for the cost of labor, insurance, equipment, materials, management and supervision thereof, for other purposes beneficial to the Members as determined by the Association, and for the purpose of carrying out the functions, purposes, responsibilities and duties of the Association. The Association does not assure that such services will be provided and nothing herein shall be construed as an obligation to provide any such services.

3.4.4 Amounts of Annual Assessments:

The annual assessment applicable to Parcels shall be set by the Board of Directors of the Association as set forth in the Declaration.

3.4.5 Effect of Non-Payment of Assessment;

Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of eight percent (8%) per annum. The Association may bring an action at law against the member personally obligated to pay the same, or foreclose the lien against the Member's Property. No member may waive or otherwise escape liability for the assessments provided for in the Declaration or in these By-Laws by non-use of the Open Spaces or other areas

to which assessments are applied or abandonment of the Member's Property owned by such Member.

3.4.6. Subordination of Lien to Mortgages:

The lien of any assessment or charge authorized by Article III of the Declaration or this Article III of these By-Laws with respect to Member's Property is subordinate to the lien of any bona fide mortgage on such Member's Property if, but only if, all assessments and charges levied against such Member's Property falling due on or prior to the date such mortgage is recorded have been paid. The sale or transfer of any Member's Property pursuant to a mortgage foreclosure proceeding, or a proceeding in lieu of foreclosure, or the sale or transfer of such Member's Property pursuant to a sale under power contained in a mortgage on such property shall extinguish the lien for assessments falling due prior to the date of such sale, transfer or foreclosure, but the Association shall have a lien on the proceeds of such sale senior to the equity of redemption of the mortgagor. The foregoing subordination shall not relieve a Member whose Member's Property has been mortgaged of his personal obligation to pay all assessments and charges falling due during the time he is the owner of such property. The Board of Directors may at any time, either before or after the mortgaging of any Member's Property, waive, relinquish or quitclaim in whole or in part the right of the Association to assessments and other charges collectible by the Association with respect to such property coming due during the period while such property is or may be held by a mortgagee or mortgagees pursuant to such sale or transfer.

3.5 Suspension of Membership Rights. The membership rights of any Member, including the right to vote, may be suspended by the Board of Directors (a) for any period during which any assessment or charge owed to the Association by such Member remains unpaid, and (b) for a period not to exceed thirty (30) days for any infraction of the Association's published rules and regulations. Any such suspension shall not affect such Member's obligation to pay assessments coming due during the period of suspension and shall not affect the permanent charge and lien on the Member's Property in favor of the Association.

ARTICLE IV

VOTING RIGHTS

SECTION 4.1 Each class of membership shall have those voting rights as set forth in Article V of the Articles of Incorporation.

When entitled to vote, each Member shall have one vote for each Parcel owned by such Member.

When more than one (1) person (or other entity) holds an ownership interest or interests in any Parcel, the vote for such Parcel shall be exercised as they among themselves shall determine, but in no event shall more than one (1) person be entitled to cast the vote with respect to any Parcel. In the event of disagreement among such persons (or other entities) and an attempt by more than one to cast the vote of such Parcel, such persons (or other entities) shall not be recognized and the vote with respect to such Parcel shall not be counted.

ARTICLE V

ASSOCIATION POWERS

SECTION 5.1 Additions to Open Spaces. The Association shall accept the conveyance to it of additional Open Spaces by The Harbert-Equitable Joint Venture, an Alabama General Partnership, or by such of its successors and assigns as shall have been specifically granted the right to submit additional property to the Declaration, provided that the property to be so conveyed meets all the requirements for becoming Open Spaces set forth in Article VIII of the Declaration. No approval from any member of the Association or anyone else is required for The Harbert-Equitable Joint Venture, or its above described successors and assigns, to convey as additional Open Spaces property otherwise meeting the above referenced requirements for becoming additional Open Spaces.

5.2 Other Property Owned by the Association. In addition to acquiring additional Open Spaces in the manner described in Section 5.1 hereof, the Association may, in the discretion of the Board of Directors, accept the conveyance to it by The Harbert-Equitable Joint Venture, or by such of its successors and assigns as shall have been specifically granted the right to submit additional property to the Declaration, of property which shall not be held by the Association as Open Spaces under the terms and provisions of the Declaration, but, rather, which may be used or leased by the Association for any purpose which the Board of Directors shall choose.

5.3 Mortgages. The Association shall have the power to mortgage or otherwise burden or encumber all or part of its properties, provided that any such mortgaging or encumbering shall be authorized by a fifty-five percent (55%) affirmative vote, on a class basis, of the Members entitled to vote.

5.4 Dedication or Transfer of Properties. The Association shall have the power to transfer the ownership of all or part of its properties, provided that any such transfer, by dedication to a public authority, or otherwise, shall be authorized by fifty-five percent (55%) affirmative vote, on a class basis, of the Members entitled to vote.

ARTICLE VI

BOARD OF DIRECTORS

SECTION 6.1 Selection; Terms of Office. Until March 1, 1983, or at such earlier time as determined by the Class B membership, the Board of Directors shall consist of three (3) members, who shall be elected at the times and in the manner set forth in Section 6.2 hereof. After such time the Board of Directors shall consist of seven (7) members, who shall be elected at the time set forth in Section 6.3 and in the manner set forth in Article VII of these By-Laws.

6.2 Election of Directors by the Class B Members. Until March 1, 1983, or earlier as determined by the Board of Directors, as provided in Article V of the Articles of Incorporation, the Board of Directors shall consist of three (3) members who shall be elected in the following manner:

6.2.1 The initial Board of Directors set forth in Article VIII of the Articles of Incorporation shall hold office until December 31, 1990, or until all the then Class B members shall designate in a writing delivered to the Corporation whichever shall first occur. In the event any named Director ceases to be a Director prior to the time specified above in this Section 6.2.1, his replacement shall be elected by a majority of the total vote of the Class B membership at appropriate annual meeting or special meeting of the Class B members.

6.2.2 Any Director or Directors elected by the Class B members may be removed at any time, with or without cause, by vote of seventy-five percent (75%) of the total vote of the Class B membership at any regular or special meeting thereof, and the removed Director may be replaced by a majority of the total vote of the Class B membership at any regular or special meeting thereof.

6.3 Election of Directors by the Class A Members. After the time at which the Class B membership terminates, as provided in Article V of the Articles of Incorporation, the Board of Directors shall consist of nine (9) members who shall be elected in the following manner:

6.3.1 The incumbent Board of Directors elected by the Class B members shall hold office until the election of their successors by the Class A members at the first annual meeting of the Class A members to be held for this purpose within sixty (60) days after the termination of the Class B membership.

6.3.2 At the first annual meeting of the Class A members there shall be elected in the manner set forth in Article VII of these By-Laws nine (9) directors, three (3) such directors being elected for three (3) years, six (6) such directors being elected for two (2) years.

The procedure set forth in Section 6.3.1 and 6.3.2 shall be used to elect the three (3) Directors when the total number of Directors is increased to seven (7) as provided in Article V of the Articles of Incorporation.

6.4 Vacancies. Vacancies in the Board of Directors shall be filled by the majority of the remaining Directors, any such appointed Director to hold office until his successor is elected by the Class A members or the Class B Members, as the case may be, who were entitled to elect the Director, at the next annual meeting of the Members or at any special meeting duly called for that purpose.

ARTICLE VII

ELECTION OF DIRECTORS BY CLASS A MEMBERSHIP

SECTION 7.1 Election of Directors. Elections to the Board of Directors by the Class A membership shall be by written ballot as hereinafter provided. At such elections, the Class A members or their proxies may cast as many votes as there are vacancies to be filled on the Board of Directors for each Parcel in which they hold any interest required for membership by Article V of the Articles of Incorporation, and such Member shall have the right to cumulate his vote and to give one candidate a number of votes equal to his vote multiplied by the number of Directors to be elected, or by distributing such votes on the same principle among any number of such candidates. The names receiving the largest number of votes shall be elected.

7.2 Nominations Committee. Nominations for a full slate of Directors for election to the Board of Directors by the Class A members shall be made by the Nominations Committee. The Nominations Committee shall consist of five

(5) persons appointed each year by the Board of Directors, two (2) of whom shall be Directors, and three (3) of whom shall be non-directors. Members of the Nominations Committee shall be appointed each year by the Board of Directors at least sixty (60) days before the date on which the election for the members of the Board of Directors is to be held, and the slate of Directors to be nominated by the Nominations Committee shall be nominated at least thirty (30) days before the date of such election. No member of the Nominations Committee shall be eligible for nomination for the Board of Directors by such Committee.

In addition, nominations for the Board of Directors may be made by petition signed by more than twenty (20) members of the Association, provided that such petitions are filed with the Secretary of the Association at least thirty (30) days before the date of the meeting at which the directors are to be elected.

7.3 Ballots. All elections to the Board of Directors shall be made on a written ballot which shall: (a) describe the vacancies to be filled; (b) set forth the names of those nominated by the Nominations Committee for such vacancies and those nominated by petition timely filed with the Secretary of the Association; and (c) containing a space for a written vote by the Members for each vacancy. Such ballots shall be prepared and mailed by the Secretary of the Association to the Members at least fourteen (14) days in advance of the date set forth therein for a return (which shall be a date not later than the date for the annual meeting or special meeting called for election).

7.4 Voting Procedures. Each Class A member shall receive as many ballots as he has Parcels in which such member holds an interest required for membership by Article V of the Articles of Incorporation. Each Member shall indicate next to the name of each nominee on the ballot the number of votes he casts for the election of such nominee to the Board of Directors, or shall write in the name of a person not so nominated in the space on the ballot provided for this purpose, together with the number of votes he wishes to cast for said person. All ballots shall be signed by the Member casting it and returned to the Secretary of the Association, who, upon receipt of each ballot shall immediately place it in a safe or other locked place until the day set forth for the annual or other special meeting at which the elections are to be held. On that date, the ballots shall be turned over to an Elections Committee which shall consist of five (5) Members appointed by the Board of Directors. The Elections Committee shall then adopt a procedure which shall:

7.4.1 establish that the number of ballots turned in by each Member correspond with the number of Parcels owned by such Member or his proxy identified on the ballot; and

7.4.2 establish that the signature of the Member or his proxy on the ballot is genuine; and

7.4.3 if the vote is by proxy, establish that a proxy has been filed with the Secretary as provided in Article XII of these By-Laws and that such proxy is valid.

Said procedure by the Elections Committee shall be taken in such a manner that the vote of any Member or his proxy shall not be disclosed to anyone, including the Elections Committee.

If any ballot is found to contain more than the number of votes which the Member signing such ballot is entitled to cast, all votes on such ballot shall be disqualified and shall not be counted. After the announcement of the results by the Elections Committee, unless a review of the procedure is demanded by thirty-five percent (35%) of the Members casting ballots in the election within ten (10) days after the election, the ballots shall be destroyed.

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

SECTION 8.1 Powers. The Board of Directors shall have the powers:

8.1.1 To call special meetings of the Members whenever it deems necessary, and it shall call a meeting at any time upon written request of one-fourth (1/4) of the voting membership, as provided in Section 12.2.

8.1.2 To appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these By-Laws shall be construed to prohibit the employment of any member, officer or Director of the Association in any capacity whatsoever.

8.1.3 To establish, levy, assess and collect the assessments and charges set forth in Article III.

8.1.4 To adopt and publish rules and regulations governing the use of the Open Spaces and the facilities, and the personal conduct of the Members and their guests thereon.

8.1.5 To exercise for the Association all powers, duties and authorities vested in or delegated to the Association, except those reserved to Members in the Declaration, or in the Articles of Incorporation, or elsewhere in these By-Laws.

8.1.6 To appoint such committees as it deems in the best interests of the Association to carry out the functions and duties of the Board of Directors.

8.2 Director Absences. In the event that any member of the Board of Directors of the Association shall be absent from three (3) consecutive regular meetings of the Board of Directors, the Board may by action taken at the meeting during which said third absence occurs, declare the office of said absent Director to be vacant, and the provisions relating to the filling of a vacancy of the Board of Directors as set forth in Article VI.4 shall become operative.

8.3 Duties. It shall be the duty of the Board of Directors:

8.3.1 To cause to be kept a complete record of all its acts and corporate affairs and to present the statement thereof to the voting Members at the annual meeting of the voting members or at any special meeting when such is requested in writing by one-fourth (1/4) of the total voting membership, as provided in Article XII.2.

8.3.2 To supervise all officers, agents and employees of the Association, and to insure that their duties are properly performed.

8.3.3 As more fully provided in Article III of the Declaration and Article III of these By-Laws, to fix the amount of the assessment against each Parcel owned by a Member at least thirty (30) days in advance of the date of any payment of such assessment is due.

8.3.4 To prepare a roster of the Parcels and assessments applicable thereto which shall be kept in the offices of the Association and shall be open to inspection by any Member thereof, and, to send written notice of each assessment to every Member subject thereto.

8.3.5 To issue, or cause an appropriate officer to issue upon demand by any person, a certificate setting forth whether any assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

8.3.6 To obtain and maintain a liability insurance policy for the protection of the Association covering the Open Spaces and covering such risks and with such deductible amounts as the Board of Directors shall determine.

ARTICLE IX

DIRECTORS MEETINGS

SECTION 9.1 Time and Place. Meetings of the Board of Directors may be held at any place within or without the State of Alabama. The Board of Directors shall meet immediately following the close of the annual meeting of the Members and at the place thereof, or the Board of Directors may hold such meeting at such place and time as shall be fixed by the consent in writing of all the directors. Regular meetings of the Board of Directors may be held at such time and place (within or without the State of Alabama) as shall from time to time be determined by the Board of Directors.

9.2 Notice. Notice of regular meetings of the Board of Directors is hereby dispensed with. If the day for a regular meeting shall fall upon a holiday, the meeting shall be held at the same hour on the first day following which is not a holiday, and no notice thereof need to be given.

9.3 Special Meetings. Special meetings of the Board of Directors shall be held when called by any officer of the Association or by any two (2) Directors after not less than three (3) days' notice to each Director.

9.4 Waivers, Consents and Approvals. The transaction of any business at any meeting of the Board of Directors, however called and noticed, or wherever held, shall be as valid as though made at a meeting duly held after regular call and notice if a quorum is present and, if either before or after the meeting, each of the Directors not present signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records and shall be made a part of the minutes of the meeting.

9.5 Quorum. The majority of the Board of Directors shall constitute a quorum thereof.

9.6 Adjourned Meetings. If at any meeting of the Board there is less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting any business that might have been transacted at the meeting as originally called, may be transacted without further notice.

Section 9.7 Resolutions

A simple majority vote of the Board of Directors shall be required to pass a resolution (on items which are to be considered by Class A and Class B board members) provided a quorum is present, unless otherwise specified in the By-Laws.

NOTE: Amendment to By-Laws approved by the Board of Directors on March 10, 1983. 53

ARTICLE X

OFFICERS

SECTION 10.1 Officers. The officers shall be a President, a Vice President, a Secretary, and a Treasurer. The President and the Vice President shall be members of the Board of Directors.

10.2 Majority Vote. The officers shall be chosen by majority vote of the Directors.

10.3 Term. All officers shall hold office during the pleasure of the Board of Directors.

10.4 President. The President shall preside at all meetings of the Board of Directors, and shall see that orders and resolutions of the Board of Directors are carried out, and sign all notes, checks, leases, mortgages, deeds and all other written instruments as may be incidental to the orders and resolutions of the Board of Directors.

10.5 Vice President. The Vice President shall perform all the duties of the President in his absence.

10.6 Secretary. The Secretary shall be "ex-officio" the Secretary of the Board of Directors, and shall record the vote and keep the minutes of all proceedings in a book to be kept for such purpose. He shall keep the records of the Association. He shall record in a book kept for such purpose the names of all members of the Association together with their addresses as registered by such members.

10.7 Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; provided, however, that a resolution

of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board. The Treasurer shall sign all checks and notes of the Association, provided that such checks and notes shall also be signed by the President or the Vice President in his absence.

10.8 Bookkeeping. The Treasurer shall keep proper books of account and cause an annual audit of the Association books to be made by a certified public accountant at the completion of each fiscal year. The Treasurer shall prepare the annual budgets and an annual balance sheet statement and the budget and balance sheet statement shall be presented to the membership at its regular annual meeting.

ARTICLE XI

COMMITTEES

SECTION 11.1 Standing Committees. Until the time at which the Class B membership terminates, there shall be no requirement of standing committees of the Association. From and after the first annual meeting of the Class A Members, the standing committees of the Association shall be:

The Recreation Committee
The Maintenance Committee
The Publicity Committee
The Audit Committee

Unless otherwise provided herein, each committee shall consist of a Chairman, and two (2) or more members and shall include a member of the Board of Directors. The committees shall be appointed by the Board of Directors immediately after each annual meeting to serve until the close of the next annual meeting. The Board of Directors may appoint such other committees as it is deemed desirable.

11.2 Recreation Committee. The Recreation Committee shall advise the Board of Directors on all matters pertaining to the recreational programs and activities of the Association and shall perform such other functions as the Board, in its discretion, shall determine.

11.3 Maintenance Committee. The Maintenance Committee shall advise the Board of Directors on all matters

pertaining to the maintenance, repair or improvement of the Open Spaces and shall perform such other functions as the Board shall, in its discretion, determine.

11.4 Publicity Committee. The Publicity Committee shall inform the Members of all activities and functions of the Association and shall, after consulting with the Board of Directors, make such public releases and announcements as are in the best interests of the Association.

11.5 Audit Committee. The Audit Committee shall supervise the annual audit of the Association books and approve the annual budget and balance sheet statement to be presented to the membership at its regular annual meeting as provided in Section 10.8 hereof. The Treasurer shall be an "ex-officio" member of this Committee.

11.6 Subcommittees. Each Committee shall have the power to appoint a subcommittee from among its membership and may delegate to any such subcommittee any of its powers, duties and functions set forth in this Article XI, and as delegated by the Board of Directors.

11.7 Review of Complaints. It shall be the duty of each committee to receive complaints from Members on any matter involving Association functions, duties, and activities in its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, Director or officer of the Association as is further concerned with the matter presented.

ARTICLE XII

MEETINGS OF MEMBERS

SECTION 12.1 Annual Meeting. Until the time at which the Class B membership terminates, as provided in Article V of the Articles of Incorporation, the regular annual meeting of the Class B members shall be on the first Friday in March of each year, or within two (2) weeks thereafter, at a time and place to be agreed upon by the Class B members.

Until the time at which the Class B membership terminates, there shall be no annual or regular meeting of the Class A membership.

The first annual meeting of the Class A Members shall be held within sixty (60) days after the termination of the Class B membership. Thereafter, the regular annual meeting of the members shall be held at 8:00 o'clock P.M. on the first Friday in March of each year (beginning the year in which said meeting date is more than twelve months following the initial meeting), provided, however, if that day is a legal holiday, the meeting shall be held at the same hour on the following Friday. The place of the annual meetings shall be determined by the Board of Directors.

12.2 Special Meetings. Special meetings of either class of membership for any purpose may be called at any time by the President, the Vice President, the Secretary or the Treasurer, or by any two (2) or more members of the Board of Directors. In addition, special meetings of the voting membership must be called upon the written request of the Members who have a right to vote one-fourth (1/4) of the total votes entitled to be cast under the provisions of Article V of the Articles of Incorporation at the time such written request is made.

12.3 Notice. Notice of any meetings of a class of membership shall be given to the Members of that class by the Secretary. Notice may be given to the Members either personally, or by sending a copy of the notice through the mail, postage thereon fully prepaid, to his address appearing on the books of the Association. Each Member shall register his address with the Secretary, and notices of meetings shall be mailed to him at such address. Notice of any regular or special meeting shall be mailed at least six (6) days in advance of the meeting, and shall set forth in general the nature of the business to be transacted; provided, however, that if the business of any meeting shall involve an election governed by Article VII, notice of such meeting shall be given or sent as therein provided.

12.4 Quorum. The presence at the meetings of Members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the vote of the class of membership so meeting shall constitute a quorum for any actions governed by these By-Laws unless it is provided otherwise in the Declaration, or the Articles of Incorporation, or elsewhere in these By-Laws.

ARTICLE XIII

PROXIES

SECTION 13.1 Form of Vote. At all meetings of Members, each Member entitled to vote may vote in person or by proxy.

13.2 Proxies. All proxies shall be in writing filed with the Secretary of the Association. No proxy shall extend beyond a period of eleven (11) months, and every proxy shall automatically cease upon the sale by the Member of his Parcel or other interest in the Member's Property.

ARTICLE XIV

INSPECTION OF BOOKS AND PAPERS

SECTION 14.1 The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to the inspection of any Member.

ARTICLE XV

PARLIAMENTARY RULE

SECTION 15.1 Roberts Rules of Order (latest edition) shall govern the conduct of the Association proceedings when not in conflict with the Declaration or the Articles of Incorporation.

ARTICLE XVI

AMENDMENTS

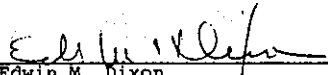
SECTION 16.1 Until the time at which the Class B membership terminates and the Class A membership is entitled to full voting privileges, as provided for in Article V of the Articles of Incorporation, these By-Laws may be amended upon a majority vote of the Board of Directors in any respect. After such time as the Class A members shall be entitled to full voting privileges, these By-Laws may be amended in any respect upon recommendation of the Board of Directors and subsequent approval at a regular or special meetings of the Members by a sixty percent (60%) vote of the total vote of all the then existing classes of membership, present in person or by proxy; provided, however, that those provisions of these By-Laws which are governed by the Articles of Incorporation may not be amended except as provided therein or except as provided by applicable law; and provided further, that any matter stated herein to be or which is in fact governed by the Declaration may not be amended except as provided in the Declaration.

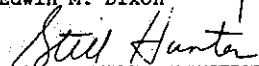
ARTICLE XVII

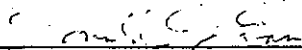
CONFLICTS

SECTION 17.1 In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles of Incorporation shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

IN WITNESS WHEREOF, we being all of the Directors of the Riverchase Residential Association, Inc., have heretofore set our hands this 17th day of January, 1976.


Edwin M. Dixon


Still Hunter


Donald D. Evans

ARTICLES OF INCORPORATION
OF
RIVERCHASE RESIDENTIAL ASSOCIATION, INC.
(a corporation not for profit)

TO THE JUDGE OF PROBATE OF SHELBY COUNTY, ALABAMA:

This is to certify that, for the purpose of forming a corporation pursuant to the provisions of the "Alabama Non-Profit Corporation Act" [1940 Code of Alabama (Recomp. 1958), Title 10, Sections 203-63, inclusive], the undersigned do hereby make and file the following Articles of Incorporation.

ARTICLE I

NAME

The name of the corporation shall be:

"RIVERCHASE RESIDENTIAL ASSOCIATION, INC."

The corporation is sometimes referred to herein as the "Corporation" or the "Association".

ARTICLE II

DEFINITIONS

SECTION 2.1 Association Land: That part of Riverchase Property which may at any time hereafter be owned by the Association for so long as the Association or successor thereof may be the owner thereof.

2.2 Board: The Board of Directors of the Association.

2.3 By-Laws: The duly enacted By-Laws of the Association.

2.4 Commercial Parcel: Any unit, lot, part or parcel of Riverchase Property designed for a commercial or business purpose or use including apartment projects.

2.5 Declaration: The Declaration of Protective Covenants, Agreements, Easements, Charges and Liens (Residential) applicable to Member's Property which shall be recorded in the Probate Records of Jefferson and/or Shelby Counties, Alabama, as the same may from time to time be supplemented or amended in the manner described therein.

2.6 Deed: Any deed, assignment, lease, or other instrument conveying fee title or a leasehold interest in any part of Riverchase Property subjected to the Declaration.

2.7 Developer: The developer of Riverchase, The Harbert-Equitable Joint Venture under Joint Venture Agreement dated January 30, 1974, an Alabama General Partnership, its successors and assigns.

2.8 Member: A person or other entity who is a record owner of Member's Property.

2.9 Member's Property: That portion of Riverchase Property which shall have been submitted to the Declaration for the purpose of creating a lien for assessments in favor of the Association. See also, Section 2.12.

2.10 Open Spaces or Common Areas: Riverchase Property which is conveyed to the Association by the owners or Developers of Riverchase or a part thereof.

2.11 Parcel: Includes both residential and commercial parcels.

2.12 Property or Subject Property or Member's Property: That part of Riverchase Property subjected to the Declaration.

2.13 Resident: Any person or persons occupying Member's Property.

2.14 Residential Parcel: Any unit, lot, part or parcel of the Property designed for a single family residence including condominium units and single family residential lots platted of record regardless of whether a dwelling has or has not been constructed on such lot.

2.15 Association: The Riverchase Residential Association, Inc., its successors and assigns.

2.16 Riverchase or Riverchase Property: The property described as Riverchase in the Declaration and other property which may be acquired by Developer and developed as a part of Riverchase. That part of Riverchase subjected to the Declaration is referred to as "Property", "Subject Property", or "Member's Property".

ARTICLE III

PRINCIPAL OFFICE AND AGENT

The initial registered office of the Association shall be P. O. Box 1297, Birmingham, Alabama 35201. The registered agent of the Corporation shall be Still Hunter, P. O. Box 1297, Birmingham, Alabama 35201.

ARTICLE IV

OBJECTS, PURPOSES AND POWERS

SECTION 4.1 This Association shall be a corporation not for profit organized for non-profitable purposes and activities and no part of its net earnings shall inure to the benefit of any private shareholder or member of the Association.

4.2 The objects and purposes for which this Corporation is organized are as follows:

4.2.1 To establish, maintain, operate and provide all community services of every kind and nature required or desired by the owners of real property within that part of Riverchase which shall be made subject to the jurisdiction of the Association by the Declaration or any supplemental declaration thereto, or other declaration, deed or instrument.

4.2.2 To own, acquire, build, operate, and maintain recreation parks, playgrounds, common drives and footways, including buildings, structures, and personal properties incident thereto, which property is hereinafter referred to as the "Open Spaces" or "Common Areas"; maintain unkept lands and trees; maintain lakes and roadways within Riverchase, the water and drainage systems, and other areas and structures beneficial or useful to Member's Property; supplement municipal and other governmental services; fix assessments to be levied against the Member's Property and the owners of such Member's Property; enforce any and all covenants, restrictions and agreements applicable to the Open Spaces or to Member's Property; and pay taxes, if any, on the Open Spaces; and, insofar as permitted by law, to do any other thing that, in the opinion of the Board, will promote the common benefit and enjoyment of the Members.

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4.2.3 To provide for the security of its Members, the property of its Members, residents and property of residents of Riverchase; to provide for road maintenance, parking within roadway areas, and traffic control; to provide for garbage and waste collection and disposal; to present a unified effort to the members in protecting the value of the property of Members; to provide fire protection services to Riverchase or any part thereof.

4.2.4 To own, operate and manage the Common Areas or Open Spaces located in Riverchase; to perform and carry out the acts and duties incident to the administration, operation and management of said Open Spaces in accordance with the terms, provisions, and conditions contained in these Articles of Incorporation and to own, operate, lease, sell, trade and otherwise deal with such property, whether real or personal, as may be necessary or convenient.

4.2.5 To provide for any or all projects, services, facilities, studies, programs, systems and properties relating to: parks, recreational facilities or services; drainage systems; streets, roads, highways, walkways, curbing, gutters, sidewalks, trees, flowers and landscaping, fountains, benches, shelters, directional and informational signs, walkways, and bridges, and street, road and highway lighting facilities; facilities for the collection, treatment and disposal of garbage and refuse; facilities or arrangement for facilities for collection and treatment of sewage; mass transit systems, stations and terminals, airfields, airports, air terminals and associated facilities; facilities for the fighting and preventing of fires; auditoriums, galleries, halls, amphitheaters, theaters, arenas and stadiums, educational buildings and facilities, including equipment, supplies and accessories in connection therewith, storage and maintenance yards, garages and other buildings and facilities deemed necessary or desirable by the Board in connection with the administration, management, control and operation of the Association; libraries, including equipment, books, supplies and accessories in connection therewith; hospitals and clinics,

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including equipment, medicines, supplies and accessories in connection therewith; traffic engineering programs and parking facilities; facilities for animal rescue and shelter; lakes, dams, parks, zoos, playgrounds, boat basins and marinas, equestrian centers and facilities; skeet ranges, bowling alleys, and other related or unrelated recreational facilities; and any and all other improvements, utilities, facilities and services that the Board shall find to be necessary, desirable or beneficial to the interest of the Property, Members and Residents.

4.2.6 To do such other things as may be necessary and proper for the carrying out and accomplishment of the above objects and purposes and of such other objects and purposes as are deemed necessary and proper by its Directors. The objects and purposes expressed herein relate to services, benefits and expenditures pertaining to, derived from, or in connection with Riverchase or areas thereof intended for and available for the common use and enjoyment or need of the Members.

4.3 In furtherance of the aforesaid objects, purposes and powers, the Association shall have and exercise all of the powers of a Corporation Not for Profit organized and existing under the laws of the State of Alabama and all the powers reasonably necessary to implement the powers of the Association, which powers shall include but are not limited to, the power:

4.3.1 To make, levy and collect assessments and annual, monthly or quarterly maintenance charges from its Members and to expend the proceeds of such assessments and charges for the benefit of its Members.

4.3.2 To contract with others to provide the services, benefits and advantages desired.

4.3.3 To enforce by legal action suits on behalf of the Association.

4.3.4 To make, establish and enforce reasonable rules and regulations governing the use of the Open Spaces.

4.3.5 To maintain, repair, replace and operate those portions of the property that the Association has the duty or right to maintain, repair, replace and operate under these Articles and the By-Laws of the Association.

4.3.6 To contract for the management of the property and to delegate to such contractors all or a part of the powers and duties of the Association.

4.3.7 To employ personnel to perform the services required or authorized by these Articles, the Declaration and by the By-Laws of the Association.

4.3.8 To purchase insurance upon the Open Spaces for the protection of the Association and its Members.

4.3.9 To reconstruct improvements constructed on the real property after casualty or other loss.

4.3.10 To make additional improvements on and to the Association Property.

4.3.11 To acquire and enter into agreements whereby it acquires leaseholds, memberships or other possessory or use interests in lands or facilities including but not limited to marinas, lakes and other recreational facilities, whether or not contiguous.

4.3.12 To enforce by legal action the provisions of these Articles, the By-Laws and the Declaration.

ARTICLE V

MEMBERS

SECTION 5.1 The Members of this Association shall consist of all record owners of Member's Property, but shall not include mortgagees or other holders of security interests only. No person other than the Developer of Riverchase or designees of such Developer, who does not own real property in Riverchase may be a Member of the Association. The first Board of Directors named in these Articles of Incorporation and other Directors selected by Class B members, regardless of such ownership of real property in Riverchase, shall also be Members of the Association until December 31, 1990, or until all the then

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Class B members so designate in a writing delivered to the Association, whichever shall first occur. Fees, dues, assessments and charges required of Members shall be set in the manner prescribed by the By-Laws of the Association and in the Declaration.

5.2 Membership in this Association cannot be assigned, hypothecated or transferred in any manner except as may be provided in the By-Laws.

5.3 The Association shall have two classes of voting membership: Class A and Class B.

Class A members shall be all persons owning one or more Commercial Parcels constituting Member's Property, excepting those persons (or other entities) who are Class B members.

Class B members shall be The Harbert-Equitable Joint Venture, an Alabama General Partnership, and any other persons (or other entities) who own Member's Property, provided such persons have been designated as Class B members by Developer.

The Class B membership shall terminate and the then Class B members shall become Class A members at such time as (a) all the then Class B members so designate in a writing delivered to the Association or (b) on December 31, 1990, whichever shall first occur.

When entitled to vote, each Member shall have one vote for each Parcel owned by such Member.

Until the time at which the Class B membership terminates, as provided herein, the Class B members shall be vested with the sole voting rights in the Association, except on such matters as to which the Declaration, these Articles of Incorporation, or the By-Laws specifically require a vote of each and every class of membership, or except as required by law.

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ARTICLE VI

TERM

This Corporation shall exist perpetually.

the Association, whichever shall first occur, Class I Directors shall be elected for terms of two (2) years and Class II Directors shall be elected for a term of three (3) years.

The Directors of the Association shall be elected at the time and in the manner provided for in the By-Laws.

Among other things, the Board of Directors shall have authority to make and alter By-Laws and the further authority to exercise all such other powers and to do all such other lawful acts and things which this Association, or its Members might do, unless prohibited from doing so by applicable laws, or the Articles of Incorporation, or by the By-Laws of this Association.

ARTICLE IX

OFFICERS

The officers of the Association shall consist of a President, one or more Vice Presidents, a Secretary and a Treasurer. The officers of the Association shall be elected by the Board of Directors of the Association in accordance with the provisions of the By-Laws of the Association. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

ARTICLE X

INDEMNIFICATION

Every Director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a Director or officer of the Association, or any settlement thereof, whether or not he is a Director or officer at the time such expenses are incurred, except in such cases wherein the Director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement, the indemnification herein shall apply only when the Board of Directors approves such settlement and reimburse-

ment as being for the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or officer may be entitled.

ARTICLE XI

DISPOSITION OF ASSETS UPON DISSOLUTION

No Member, Director or officer of the Association or other private individual shall be entitled to share in the distribution of any of the Association assets upon dissolution of the Association. Unless agreed to the contrary by seventy-five percent (75%) of each and every class of membership, upon dissolution of the Association, the assets of the Association shall be granted, conveyed and assigned to an appropriate public body, agency or agencies, utility or utilities or any one or more of them or to any one or more non-profit corporations, associations, trusts or other organizations to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. No disposition of the Association's assets shall be effective to divest or diminish any right or title of any Member vested in him under recorded covenants and restrictions applicable to such assets unless made in accordance with the provisions of such covenants and restrictions.

ARTICLE XII

AMENDMENT OF ARTICLES

These Articles may be amended by an affirmative vote of two-thirds (2/3) of the Members of the Association entitled to vote.

ARTICLE XIII

BY-LAWS

The Association shall adopt By-Laws governing the conduct of the affairs of the Association. The By-Laws shall be altered, amended, or rescinded as provided in the By-Laws.

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IN WITNESS WHEREOF, the subscribing incorporators
have hereunto set their hands and seals and caused these Articles
of Incorporation to be executed this 6th day of March,
1976.

Edwin M. Dixon (SEAL)
Edwin M. Dixon

Still Hunter (SEAL)
Still Hunter

H. Hampton Boles (SEAL)
H. Hampton Boles

STATE OF ALABAMA)

JEFFERSON COUNTY)

Before me, the undersigned Notary Public, in and for
said County and State, personally appeared Edwin M. Dixon, Still
Hunter and H. Hampton Boles, who are known to me and who, after
first being duly sworn, deposes under oath and said that the
foregoing Articles of Incorporation were prepared under their
direction and that they had knowledge of the facts stated therein,
that said facts are true, and that they executed the same freely
and voluntarily and for the purposes stated therein.

Given under my hand and official seal, this the 6th
day of March, 1976.

Emeline H. Hoon
Notary Public

My commission expires:

April 29, 1978

This instrument was prepared by:

H. Hampton Boles
Balch, Bingham, Baker Hawthorne, Williams & Ward
600 North 18th Street
Birmingham, Alabama 35203

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BY-LAWS AMENDMENTS

ARTICLE VII is amended as follows:

"SECTION 7.1 Election of Directors. Elections to the Board of Directors by the Class A membership shall be by written ballot as hereinafter provided. At such elections, the Class A members or their proxies may cast as many votes as there are vacancies to be filled on the Board of Directors for each Parcel in which they hold any interest required for membership by Article V of the Articles of Incorporation, and such Member shall have the right to cast one (1) vote for each vacancy for the Board of Directors. A member may not cumulate his vote for any one candidate. The names receiving the largest number of votes shall be elected."

ARTICLE VII is amended as follows:

"SECTION 7.2 Nominations Committee. Nominations for a full slate of Directors for election to the Board of Directors by the Class A members shall be made by the Nominations Committee, with at least two (2) candidates nominated for each vacancy on the Board of Directors. The Nominations Committee shall consist of five (5) persons appointed each year by the Board of Directors, two (2) of whom shall be Directors, and three (3) of whom shall be non-directors. Members of the Nominations Committee shall be appointed each year by the Board of Directors at least sixty (60) days before the date on which the election for the members of the Board of Directors is to be held, and the slate of Directors to be nominated by the Nominations Committee shall be nominated at least thirty (30) days before the date of such election. No member of the Nominations Committee shall be eligible for nomination for the Board of Directors by such Committee.

In addition, nominations for the Board of Directors may be made by petition signed by more than twenty (20) members of the Association, provided that such petitions are filed with the Secretary of the Association at least thirty (30) days before the date of the meeting at which the directors are to be elected."

ARTICLE XII is amended as follows:

"SECTION 12.1 Annual Meeting. Until the time at which the Class B membership terminates, as provided in article V of the Articles of Incorporation, the regular annual meeting of the Class B members shall be on the first Friday in March of each year, or within two (2) weeks thereafter, at a time and place to be agreed upon by the Class B members.

Until the time at which the Class B membership terminates, there shall be no annual or regular meeting of the Class A membership.

The first annual meeting of the Class A Members shall be held within sixty (60) days after the termination of the Class B membership. Thereafter, the regular annual meeting of the members shall be held at 7:00 o'clock P.M. on the first Thursday in March of each year (beginning the year in which said meeting date is more than twelve months following the initial meeting), or within two (2) weeks thereafter at a time and place to be agreed upon by the Board of Directors."

ARTICLE VI is amended as follows:

"6.3.2 At the first annual meeting of the Class A members there shall be elected in the manner set forth in Article VII of these By-Laws nine (9) directors, three (3) such directors being elected for three (3) years, three (3) such directors being elected for two (2) years, and three (3) such directors being elected for one (1) year. Subsequently directors will be elected for three (3) year terms.

The procedure set forth in Section 6.3.1 and 6.3.2 shall be used to elect the three (3) Directors when the total number of Directors is increased to seven (7) as provided in Article VIII of the Articles of Incorporation."

ARTICLES OF INCORPORATION AMENDMENT

ARTICLE VIII is amended as follows:

"ARTICLE VIII Board of Directors. The business and affairs of the Association shall be managed by a Board of Directors consisting of not less than three (3) nor more than fifteen (15) Directors. The first Board of Directors shall consist of three (3) members. Change in the maximum number of Directors shall be permitted by amendment to the By-Laws of the Association or by amendment to the Articles of Incorporation. The Board of Directors shall be elected by the Members of the Association entitled to vote. The names and addresses of the first Board of Directors who shall hold office until December 31, 1990, or until all the then Class B members so designate in a writing delivered to the Association whichever shall first occur, and thereafter until their successors are elected and have qualified, are as follows:

Class I.	Edwin M. Dixon	P. O. Box 1297 Birmingham, AL 35201
Class II.	Still Hunter	P.O. Box 1297 Birmingham, AL 35201
Class III.	Donald D. Evans	Room 203c, Equitable Life Building 100 Peachtree Street Atlanta, GA 30303

Provided however, that at a time no later than March 1, 1983, the number of Directors shall be increased to seven (7), at least three (3) of whom are elected by Class A Members and four (4) of whom are elected by Class B Members. Subsequent to December 31, 1990, the number of Directors shall be increased to nine (9), being three (3) Class I Directors, three (3) Class II Directors and three (3) Class III Directors.

Subsequent to December 31, 1990, and at the first annual meeting of the Class A Members, Class I Directors shall be elected for a term of three (3) years, Class II Directors shall be elected for a term of two (2) years, and Class III Directors shall be elected for a term of one (1) year. All subsequent terms of all classes of Directors shall be for three (3) years.

The Directors of the Association shall be elected at the time and in the manner provided for in the By-Laws.

Among other things, the Board of Directors shall have authority to make and alter By-Laws and the further authority to exercise all such other powers and to do all such other lawful acts and things which this Association, or its Members might do, unless prohibited from doing so by applicable laws, or the Articles of Incorporation, or by the By-Laws of this Association."