

This instrument was prepared
by, and please return to:
Stephen A. Winter, Esq.
Weinstock & Scavo, P.C.
Suite 300
3405 Piedmont Road, N.E.
Atlanta, Georgia 30305

State of Tennessee
County of DeKalb
Cross Reference:
Deed Book 88
Page 1

**FIRST AMENDMENT TO
THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR
RIVERWATCH**

This First Amendment to the Declaration of Covenants, Conditions and Restrictions for RiverWatch is made this 2nd day of July, 2001, by RiverWatch Resort, LLC, a Tennessee Limited Liability Company (hereinafter referred to as the "Declarant") whose address is 998 Highland Trail, RiverWatch, Tennessee 38583;

WITNESSETH:

WHEREAS, RiverWatch Resort, LLC is the Declarant of RiverWatch and on April 15, 1998 did impose that certain Declaration of Covenants, Conditions and Restrictions for RiverWatch dated April 15, 1998 recorded in the Register's Office for DeKalb County, Tennessee, in Deed Book 88, Page 1 (the "Declaration") on the RiverWatch Community; and

WHEREAS, RiverWatch Resort, LLC has filed a Supplemental Declaration of Covenants, Conditions and Restrictions for RiverWatch, Phase I dated April 15, 1998, recorded April 15, 1998 in Deed Book 88, Page 65 in the Register's Office for DeKalb County, Tennessee and a Supplemental Declaration of Covenants, Conditions and Restrictions for RiverWatch, Phase II dated September 13, 1999 recorded Sept. 22, 1999 in Deed Book 108, Page 319 in the aforesaid records; and

WHEREAS, pursuant to Article XII, Section 2(e) of the Declaration, the Declarant may amend the Declaration without the vote of any other Owner so long as Declarant has the right to vote the Class "B" Membership or where there exists an unexpired option to add Additional Property to the terms of the Declaration and provided such Amendment does not constitute an Amendment to change the boundaries of any Lot not owned by Declarant, the number of votes in the Association or appertaining thereto, with a liability for Common Expenses appertaining thereto; and

WHEREAS, Declarant has the present right to vote the Class "B" Membership and maintains the unexpired option to add Additional Property to the terms of the Declaration;

NOW, THEREFORE, in consideration of the premises and of the benefits to be derived by the Declarant and occurring to the property and Owners within RiverWatch, the Declarant does hereby amend the Declaration of Covenants, Conditions and Restrictions for RiverWatch as follows:

1. Article VII is amended by adding to Said Article VII a Section 13 which shall read as follows.

Section 13. Assessment Obligation for Owners of Multiple Lots. Any Owner who owns two (2) or more contiguous Lots within the Property shall be provided with the opportunity to have General Assessments and Parcel Assessments waived by the Association provided that the following terms and conditions are met:

General Assessments and Parcel Assessments may be waived by the Master Association provided that (1) the Lot for which such waiver is sought is owned by an Owner that owns another Lot within the RiverWatch Resort Community that is subject to assessments, (2) the Lot for which such waiver is sought is adjacent to the Lot owned by said Owner subject to assessments and (3) there are no improvements upon the Lot for which waiver is sought except for landscaping. The purpose of this provision is that where an Owner owns two (2) or more contiguous Lots and no more than one (1) Lot is developed with improvements, only one Lot will be assessed General Assessments and Parcel Assessments under this Declaration provided that the Owner pays assessments under one (1) of said Lots. With the exception of the waiver of an assessment obligation, provided that the above identified conditions are met, the ownership of multiple Lots will be treated as such for all other applicable matters concerning such respective Lots. By way of example, and not limitation, an Owner should expect to receive a separate tax bill for each Lot owned within the RiverWatch Resort Community and may only construct improvements on a Lot in accordance with the Declaration and current building or zoning ordinances, including any setbacks or other restrictions of a similar nature. In the event an Owner wants to construct an improvement on an area other than on an identified Lot, pursuant to this Declaration, Owner must comply with Article XII, Section 5 and Article IX, Section 1 of the Declaration as well as obtain the consent of any other applicable governmental authority.

2. Except as herein amended, the Declaration of Covenants, Conditions and Restrictions for RiverWatch is hereby ratified and affirmed by the Declarant.

IN WITNESS WHEREOF, the undersigned Declarant has executed this First Amendment to the Declaration this 2nd day of July, 2001.

RIVERWATCH RESORT, LLC,
a Tennessee Limited Liability Company

By: Billy S. Hendrikson
Billy S. Hendrikson, Chief Manager

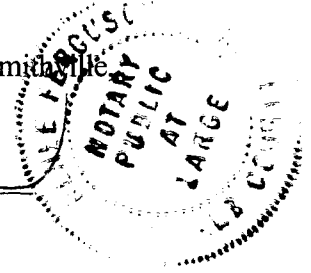
Attest: Gary W. Cripps
Gary Cripps, Manager

STATE OF TENNESSEE
COUNTY OF DeKALB

Before me, a Notary Public in and for the aforesaid State and County, duly commissioned and qualified, personally appeared Billy S. Hendrixson, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the Chief Manager of RiverWatch Resort, LLC, a Tennessee limited liability company, the bargainor, and that he, as Chief Manager, being authorized so to do, and executed the foregoing instrument for the purposes therein contained by signing the name of the LLC by himself as such Chief Manager.

IN WITNESS WHEREOF, I hereunto affix my signature and seal of office in Smithville, Tennessee, on this the 2nd day of July, 2001.

Renee Ferguson
Notary Public



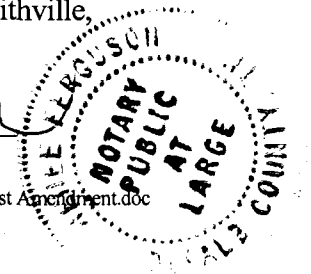
My commission expires: 7/29/2002

STATE OF TENNESSEE
COUNTY OF DeKALB

Before me, a Notary Public in and for the aforesaid State and County, duly commissioned and qualified, personally appeared Gary Cripps, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the Secretary and Manager of RiverWatch Resort, LLC, a Tennessee limited liability company, the bargainor, and that he, as Secretary and Manager, being authorized so to do, and executed the foregoing instrument for the purposes therein contained by signing the name of the LLC by himself as such Secretary and Manager.

IN WITNESS WHEREOF, I hereunto affix my signature and seal of office in Smithville, Tennessee, on this the 2nd day of July, 2001.

Renee Ferguson
Notary Public



My commission expires: 7/29/2002

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Jeffrey L. McMillen, Register
DeKalb County
Rec #: 63171 Instrument 107796
Rec'd: 15.00 NBK: 1 Pg 543
State: 0.00
Clerk: 0.00 Recorded
EDP: 2.00 7/12/2001 at 1:57 PM
Total: 17.00 in Record Book
136 Pages 941-943