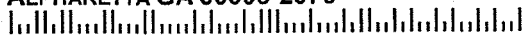


BLUE VALLEY

Filed in 3/3/2006 9:15:00 AM Office Clerk of Superior
Court Cherokee County, GA Deed BK 8604 Page 1 -
86, Patty Baker #1

UPON RECORDING RETURN TO:

DEBORAH C ANTHONY
CHATHAM HOLDINGS CORPORATION
5780 WINDWARD PKWY SUITE 300
ALPHARETTA GA 30005-2076



DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

BLUE VALLEY

Deed Book 50037 Pg 260
Filed and Recorded May-05-2011 04:16pm
2011-0127738
Cathelene Robinson
Clerk of Superior Court
Fulton County, Georgia

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<u>Exhibit</u>	<u>Subject Matter</u>
A	Land Initially Submitted
B	Additional Property
C	By-Laws of Blue Valley Community Association, Inc.

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**FOR****BLUE VALLEY**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR BLUE VALLEY ("Declaration") is made as of the date set forth on the signature page hereof by CL Chatham, LLC, a Georgia limited liability company (the "Declarant").

STATEMENT OF BACKGROUND

Declarant is the owner of the real property described on Exhibit A (attached and incorporated by reference). This Declaration imposes upon the Properties mutually beneficial restrictions under a general plan of improvement for the benefit of the owners of each portion of the Properties and establishes a flexible and reasonable procedure for the overall development, administration, maintenance and preservation of the Properties. In furtherance of such plan, this Declaration provides for the creation of Blue Valley Community Association, Inc. to own, operate and maintain Common Areas and to administer and enforce the provisions of this Declaration, the By-Laws, and the Design Guidelines. (Capitalized terms are defined in Article 1 below.)

Declarant hereby declares that all of the property described on Exhibit A and any Additional Property subjected to this Declaration by Supplemental Declaration shall be held, sold, used and conveyed subject to the following easements, restrictions, covenants, and conditions which shall run with the title to the real property subjected to this Declaration. This Declaration shall be binding upon all parties having any right, title, or interest in any portion of the Properties, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner of any portion of the Properties.

This document does not and is not intended to create a condominium within the meaning of O.C.G.A. §44-3-70, *et seq.* or a property owners' development within the meaning of O.C.G.A. §44-3-220, *et seq.*

CONDITIONS, COVENANTS, RESTRICTIONS AND EASEMENTS**ARTICLE 1: DEFINITIONS**

The terms in this Declaration and in the exhibits to this Declaration shall generally be given their natural, commonly accepted definitions except as otherwise specified. Capitalized terms shall be defined as set forth below.

1.1 "Additional Property": All of the real property that is subject to annexation to the terms of this Declaration in accordance with Article 7, more particularly described on Exhibit B (attached and incorporated herein by this reference).

1.2 "ARB": The Architectural Review Board, as described in Section 9.2.

1.3 "Area of Common Responsibility": The Common Area, together with any additional areas for which the Association has or assumes responsibility pursuant to the terms of this Declaration, any Supplemental Declaration, any Cost-Sharing Agreement, or other applicable covenant, contract, or agreement.

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1.4 “Articles of Incorporation” or “Articles”: The Articles of Incorporation of Blue Valley Community Association, Inc. as filed with the Secretary of State of the State of Georgia, as they may be amended.

1.5 “Association”: Blue Valley Community Association, Inc., a Georgia nonprofit corporation, its successors and assigns.

1.6 “Board of Directors” or “Board”: The body responsible for administration of the Association, selected as provided in the By-Laws and serving as the board of directors under Georgia corporate law.

1.7 “Builder”: Any Person (a) who purchases one or more Lots for the purpose of constructing improvements thereon for later sale to consumers or purchasing one or more parcels of land within the Properties for further subdivision, development, or resale in the ordinary course of such Person’s business, or (b) who enters into a construction contract with an Owner of a Lot for the construction of a home. A Person occupying or leasing a Lot for residential purposes shall no longer be considered a Builder with respect to such Lot immediately upon occupancy of the Lot for residential purposes, notwithstanding that such Person originally purchased the Lot for the purpose of constructing a home for later sale to consumers.

1.8 “By-Laws”: The By-Laws of Blue Valley Community Association, Inc. attached for reference purposes as Exhibit C, as they may be amended.

1.9 “Common Area”: All real and personal property, including easements and licenses, that the Association owns, leases or holds possessory or use rights in for the common use, benefit, and enjoyment of the Owners. The term also shall include any Exclusive Common Area, as defined below.

1.10 “Common Expenses”: The actual and estimated expenses incurred, or anticipated to be incurred, by the Association for the general benefit of all Owners (including any reasonable reserve) as the Board may find necessary and appropriate pursuant to the Governing Documents.

1.11 “Community-Wide Standard”: The standard of conduct, maintenance, or other activity generally prevailing throughout the Properties. Initially, the Community-Wide Standard shall be established by the Declarant, and may be more specifically defined by the Board of Directors and the ARB.

1.12 “Cost-Sharing Agreement”: Any agreement, contract or covenant between the Association and an owner or operator of property adjacent to, in the vicinity of, or within the Properties, including any Private Amenity, for the allocation of expenses for amenities or services that benefit both the Association and the owner or operator of such property.

1.13 “Days”: Calendar days; *provided however*, if the time period by which any action required under this Declaration must be performed expires on a Saturday, Sunday or legal holiday, then the time period shall be extended automatically to the close of business on the next regular business day.

1.14 “Declarant”: CL Chatham, LLC, a Georgia limited liability company or any successor, successor-in-title, or assign who holds or takes title to any portion of the property described on Exhibits A or B for the purpose of development or sale and who is designated as the Declarant in a recorded instrument executed by the immediately preceding Declarant; provided however, only one Person shall be entitled to exercise the rights and powers of the “Declarant” hereunder at any time.

1.15 “Design Guidelines”: The design, architectural and construction guidelines and application and review procedures applicable to all or any portion of the Properties promulgated and administered pursuant to Article 9, and that may be referred to as a “Pattern Book” or a similar designation.

1.16 “Detention Facility”: Any area within the Properties serving as a detention structure or facility, including but not limited to berms, swales or any facility designated as a detention pond, area or facility or a proposed detention pond, area or facility on a recorded plat of all or any portion of the Properties.

1.17 “Developer”: Chatham Neighborhoods, LLC, a Georgia limited liability company or any successor, or assign who is designated by the Declarant in a recorded instrument executed by the Declarant, and who is designated by Declarant, by separate agreement, to develop the Development on behalf of Declarant.

1.18 “Development”: That certain residential community located in Fulton County and Cherokee County, Georgia and commonly known and referred to as “Blue Valley”.

1.19 “Development Period”: The period of time through December 31, 2015 during which the Declarant owns any property that is subject to this Declaration, any Additional Property, or any Private Amenity, or has the unilateral right to subject Additional Property to this Declaration pursuant to Section 7.1. The Declarant may, but shall not be obligated to, unilaterally relinquish its rights under this Declaration and terminate the Development Period by recording a written instrument in the Public Records.

1.20 “Exclusive Common Area”: A portion of the Common Area intended for the exclusive use or primary benefit of one or more, but less than all, Neighborhoods or Lots, as more particularly described in Article 2.

1.21 “General Assessment”: Assessments levied on all Lots subject to assessment under Article 8 to fund Common Expenses for the general benefit of all Lots, as more particularly described in Sections 8.1 and 8.2.

1.22 “Governing Documents”: The Declaration, By-Laws, Articles of Incorporation, all Supplemental Declarations, all Design Guidelines, the rules of the Association, all Cost-Sharing Agreements, the USACE Declaration, and all additional covenants governing any portion of the Properties or any of the above, as each may be supplemented and amended from time to time.

1.23 “Lot”: A portion of the Properties, whether improved or unimproved, that may be independently owned and conveyed and that is intended for development, use, and occupancy as an attached or detached residence for a single family. The term shall refer to the land, if any, that is part of the Lot as well as any improvements thereon. The term shall include within its meaning, by way of illustration but not limitation, townhouse units, cluster homes, patio or zero lot line homes, and single-family detached houses on separately platted lots, as well as vacant land intended for development as a home, but shall not include property owned by the Association, any Neighborhood Association, or property dedicated to the public. In the case of a building within a structure containing multiple homes, each home shall be deemed to be a separate Lot. In the case of an unplatted parcel of land, the parcel shall be deemed to be a single Lot until such time as a plat is filed with respect to all or a portion of the parcel. Thereafter, the portion encompassed by such plat shall contain the number of Lots determined as set forth in this definition and any portion not encompassed by the recorded plat shall continue to be treated in accordance with this paragraph.

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1.24 “Majority”: Those votes, Owners, Members, or other group, as the context may indicate, totaling more than fifty percent (50%) of the total eligible number.

1.25 “Master Plan”: The land use plan or development plan for the Development, as such plan may be amended from time to time, which plan includes the property described on Exhibit A and all or a portion of the Additional Property described on Exhibit B that Declarant may from time to time anticipate subjecting to this Declaration. Inclusion of property on the Master Plan shall not, under any circumstances, obligate Declarant to subject such property to this Declaration, nor shall the exclusion of property described on Exhibit B from the Master Plan bar later annexation in accordance with Article 7.

1.26 “Member”: A Person subject to membership in the Association pursuant to Section 3.1.

1.27 “Mortgage”: A mortgage, a deed of trust, a deed to secure debt, or similar security instrument encumbering title to any Lot.

1.28 “Mortgagee”: A beneficiary or holder of a Mortgage.

1.29 “Neighborhood”: A separately developed area within the Properties, whether or not governed by a Neighborhood Association (as defined below), in which the Owners of Lots may have common interests other than those common to all Members of the Association. For example, and by way of illustration and not limitation, a grouping of single-family attached or detached homes may constitute a separate Neighborhood, or a Neighborhood may be comprised of more than one housing type with other features in common and may include noncontiguous parcels of property. Neighborhood boundaries may be established and modified as provided in Section 3.3.

1.30 “Neighborhood Assessments”: Assessments levied against the Lots in a particular Neighborhood or Neighborhoods to fund Neighborhood Expenses, as described in Section 8.2.

1.31 “Neighborhood Association”: Any condominium subassociation or other owners subassociation having concurrent jurisdiction with the Association over any Neighborhood.

1.32 “Neighborhood Expenses”: The actual and estimated expenses incurred or anticipated to be incurred by the Association for the benefit of Owners of Lots within a particular Neighborhood or Neighborhoods, which may include a reasonable reserve for capital repairs and replacements for improvements benefitting a particular Neighborhood, as the Board may specifically authorize from time to time and as may be authorized herein or in Supplemental Declarations applicable to such Neighborhood(s).

1.33 “Owner”: One or more Persons who hold the record title to any Lot, including the Declarant and any Builders, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Lot is sold under a recorded contract of sale, and the contract specifically so provides, the purchaser (rather than the fee owner) will be considered the Owner. If a Lot is owned by more than one Person, all such Persons shall be obligated jointly and severally to perform the responsibilities of Owner.

1.34 “Person”: A natural person, a corporation, a partnership, a limited liability company, a fiduciary acting on behalf of another person or any other legal entity.

1.35 “Private Amenity”: Certain real property and any improvements and facilities thereon located adjacent to, in the vicinity of, or within the Properties that are owned and operated, in whole or in part, by Persons other than the Association for recreational or other purposes. The Equestrian Center is

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hereby designated as a Private Amenity by the Declarant, and the Declarant reserves the right to designate additional Private Amenities in its sole discretion. The use of the term "Private Amenity" shall not be construed to imply or require a private club. Private Amenities may be operated on a club membership, daily fee, use fee, public, private or semi-private basis.

1.36 "Properties": The real property described on Exhibit A as such exhibit may be amended or supplemented from time to time to reflect any additions or removal of property in accordance with Article 7.

1.37 "Public Records": Collectively, the Clerk of the Superior Court of Fulton County, Georgia (sometimes referred to as the "Fulton County Public Records"), or the Clerk of the Superior Court of Cherokee County, Georgia (sometimes referred to as the "Cherokee County Public Records"), as applicable, or such other place designated as the official location for recording of deeds and similar documents affecting title to real estate.

1.38 "Special Assessment": Assessments levied in accordance with Section 8.5.

1.39 "Specific Assessment": Assessments levied in accordance with Section 8.6.

1.40 "Supplemental Declaration": An instrument filed in the Public Records that subjects Additional Property to this Declaration, designates Neighborhoods, or imposes, expressly or by reference, additional restrictions and obligations on the land described in such instrument.

1.41 "USACE Declaration": The Declaration of Covenants and Restrictions made by Declarant pursuant to a permit under Section 404 of the Clean Water Act, as recorded in Deed Book 8289, Page 285 of the Cherokee County Public Records.

1.42 "Voting Delegate": Any representative selected by the Class "A" Members within each Neighborhood to be responsible for casting all Class "A" votes attributable to Lots in the Neighborhood on matters requiring a vote of the membership. The term "Voting Delegate" shall also refer to any alternate Voting Delegate acting in the absence of a Voting Delegate.

ARTICLE 2: RIGHTS AND CONDITIONS

2.1 Common Area. Every Owner shall have a right and nonexclusive easement of use, access, and enjoyment in and to the Common Area, which is appurtenant to and shall pass with the title to each Lot. Any Owner may extend Owner's right of use and enjoyment to the members of Owner's family, lessees, and social invitees, as applicable, subject to reasonable regulation by the Board. An Owner who leases Owner's Lot shall be deemed to have assigned all such rights to the lessee of such Lot; *provided however*, the Owner shall remain responsible for payment of all assessments and other charges. The rights hereunder are subject to:

- (a) This Declaration, the USACE Declaration, and all other Governing Documents;
- (b) Any restrictions or limitations contained in any deed conveying such property to the Association;
- (c) The right of the Board to adopt, amend and repeal rules regulating the use and enjoyment of the Common Area, including rules limiting the number of guests who may use the Common Area;

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(d) The right of the Association to rent, lease or reserve any portion of the Common Area to any Owner for the exclusive use of such Owner and Owner's respective lessees, invitees, and guests upon such conditions as may be established by the Board;

(e) The right of the Board to suspend the right of an Owner to use any recreational and social facilities within the Common Area and Exclusive Common Area pursuant to Section 4.3;

(f) The right of the Board to impose reasonable requirements and charge reasonable admission or other use fees for the use of any facility situated upon the Common Area;

(g) The right of the Board to permit use of any facilities situated on the Common Area by persons other than Owners, their families, lessees and guests upon payment of reasonable use fees, if any, established by the Board;

(h) The right of the Association, acting through the Board, to mortgage, pledge, or hypothecate any or all of the Association's real or personal property as security for money borrowed or debts incurred;

(i) The right of the Association, acting through the Board, to dedicate or transfer all or any portion of the Common Area, subject to any approval requirements set forth in the Governing Documents;

(j) The rights of certain Owners to the exclusive use, access and enjoyment of those portions of the Common Area designated "Exclusive Common Areas," as more particularly described in Section 2.3; and

(k) The right of the Declarant to conduct activities and establish facilities within the Properties as provided in Article 13.

2.2 Private Streets. Every Owner shall have a right and nonexclusive easement of use, access, and enjoyment in and to, over and across any private streets and roads within the Properties ("Private Streets"), whether or not the Private Streets are Common Area, for the purpose of ingress and egress to public rights-of-way. The rights and nonexclusive easements granted herein are appurtenant to the title to each Lot. Any Owner may extend Owner's right of use and enjoyment to the members of Owner's family, lessees, and social invitees, as applicable. The rights hereunder are subject to:

(a) This Declaration and all other Governing Documents;

(b) The right of the Declarant, so long as the Declarant owns the Private Streets, and of the Board to adopt, amend and repeal rules regulating the use and enjoyment of the Private Streets, provided that the adoption of any rule or regulation shall not serve to bar access of the Owners across the Private Streets (although certain types of recreational vehicles may be barred from use of the Private Streets);

(c) The right of the Declarant to dedicate all or any part of Private Streets;

(d) The right of the Declarant to mortgage, pledge, or hypothecate any or all of the Private Streets as security for money borrowed or debts incurred, provided that the Declarant shall not subject the Private Streets to any security instrument without obtaining the agreement of the lender to subordinate Declarant's interest in the Private Streets to the easements for the Owners contained in this Section; and

(e) The rights of the Declarant, the Developer and the Association to maintain the Private Streets.

2.3 Exclusive Common Area.

(a) Certain portions of the Common Area may be designated as Exclusive Common Area and reserved for the exclusive use or primary benefit of Owners and occupants of specified Lots or Neighborhoods. By way of illustration and not limitation, Exclusive Common Areas may include entry features, recreational facilities, roads, landscaped medians and cul-de-sacs, ponds, lakes and other portions of the Common Area within a particular Neighborhood or Neighborhoods. All costs associated with maintenance, repair, replacement, and insurance of an Exclusive Common Area shall be assessed against the Owners of Lots to which the Exclusive Common Areas are assigned as either (as applicable) a Neighborhood Assessment or a Specific Assessment.

(b) During the Development Period, any Exclusive Common Area shall be designated as such, and the exclusive use thereof shall be assigned, in the deed by which the Common Area is conveyed to the Association, or in this Declaration, or any Supplemental Declaration or on the subdivision plat relating to the Exclusive Common Area. An assignment as Exclusive Common Area shall not preclude the Declarant from later assigning use of the same Exclusive Common Area to additional Lots or Neighborhoods during the Development Period. Following the termination of the Development Period, a portion of the Common Area may be assigned as Exclusive Common Area of particular Lots or a particular Neighborhood or Neighborhoods, and Exclusive Common Area may be reassigned upon approval of the Board and the vote of Members holding a Majority of the total Class "A" votes in the Association, including, if applicable, a Majority of the Class "A" votes within the Neighborhood(s) to which the Exclusive Common Area is assigned, if previously assigned, and within the Neighborhood(s) to which the Exclusive Common Area is to be assigned or reassigned. Any reassignment of an Exclusive Common Area shall be set forth in a Supplemental Declaration executed by the Declarant or the Association, as appropriate, or shall be shown on a revised subdivision plat relating to such Exclusive Common Area.

(c) The Association may, upon approval of a Majority of the Class "A" votes within the Neighborhood(s) to which any Exclusive Common Area is assigned, permit Owners of Lots in other Neighborhoods to use all or a portion of such Exclusive Common Area upon payment of reasonable use fees, which fees shall be used to offset the Neighborhood Expenses or Specific Assessments attributable to such Exclusive Common Area.

2.4 No Partition. Except as permitted in this Declaration, judicial partition of the Common Area is barred. No Person shall seek any judicial partition unless the portion of the Common Area that is the subject of such partition action has been removed from the provisions of this Declaration. This Section shall not prohibit the Board from acquiring and disposing of other real property that may or may not be subject to this Declaration.

2.5 Condemnation.

(a) The Association shall be the sole representative with respect to condemnation or eminent domain proceedings concerning Common Area and shall act as attorney-in-fact for all Owners in these matters. Whenever any part of the Common Area shall be taken by or conveyed under threat of condemnation to any authority having the power of condemnation or eminent domain, each Owner shall be entitled to written notice of the taking or conveyance. The Board may convey Common Area under threat of condemnation only if approved by Members holding at least sixty-seven percent (67%) of the total Class "A" votes in the Association and, during the Development Period, the written consent of the Declarant. The award made for the taking or proceeds of such conveyance shall be payable to the Association.

(b) If the taking or conveyance involves a portion of the Common Area on which improvements have been constructed, the Association shall restore or replace the improvements on the remaining land included in the Common Area to the extent available, unless within sixty (60) Days after the taking, Members holding at least sixty-seven percent (67%) of the total Class "A" votes of the Association and, during the Development Period, the Declarant shall otherwise agree. Any construction under this paragraph shall be in accordance with plans approved by the Board and the ARB. The provisions of Section 6.1(c) regarding funds for the repair of damage or destruction shall apply.

(c) If the taking or conveyance does not involve any improvements on the Common Area, or if a decision is made not to repair or restore, or if net funds remain after any such restoration or replacement is complete, then the award or net funds may be used by the Association for such purposes as the Board shall determine.

2.6 View Impairment. Neither the Declarant, the Developer, nor the Association guarantees or represents that any view from Lots over and across the Common Area, including any lake or pond, will be preserved without impairment. The Association shall have no obligation to prune or thin trees or other landscaping, and shall have the right, in the sole discretion of the Association, to add trees and other landscaping or to install improvements or barriers (both natural and artificial) to the Common Area from time to time. Any additions or changes may diminish or obstruct any view from the Lots and any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed. Each Owner, by acceptance of a deed, acknowledges that any view from the Lot as of the date of the purchase of the Lot may be impaired or obstructed by the natural growth of existing landscaping, the installation of additional trees, other landscaping or other types of improvements or barriers (both natural and artificial) on the Common Area.

2.7 Trail System. The Declarant reserves for itself, its successors and assigns, and the Association, the right to designate certain areas within the Properties, including the Common Area, to be used as horse, recreational, bike or pedestrian pathways and trails ("Trail System"). Use of the Trail System shall be governed by reasonable rules and regulations promulgated by the Association. Declarant may also grant easement rights to third parties (such as a Private Amenity) for use of all or a portion of the Trail System. Each Owner acknowledges, understands and covenants to inform the occupants of the Owner's Lot, that the Properties may contain a Trail System and that certain inconveniences and loss of privacy may be associated with the ownership of Lots adjacent to the Trail System.

2.8 Security. Each Owner and occupant of a Lot, and their respective guests and invitees, shall be responsible for their own personal safety and the security of their property in the Properties. The Association may, but shall not be obligated to, maintain or support certain activities within the Properties intended to make the Properties safer. By undertaking these activities, the Association, the original Declarant, any successor Declarant and the Developer shall not be considered in any way insurers or guarantors of security within the Properties, and shall not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. No representation or warranty is made that any security system or measure, including any mechanism or system for limiting access to the Properties, cannot be compromised or circumvented, or that any such system or security measure undertaken will in all cases prevent loss or provide the detection or protection for which the system is intended. No representation or warranty is made that the lighting facilities or systems (including the placement thereof) will illuminate all of the Common Areas, or that the lighting facilities or systems will be designed with safety measures in mind. Each Owner acknowledges, understands and covenants to inform Owner's tenants and all occupants of Owner's Lot that the Association, Board of Directors and committees, Declarant, and any successor Declarant are not insurers or guarantors of safety and security within the Properties and that each Person using the Properties

assumes all risks of personal injury and loss or damage to property, including Lots and the contents of Lots, resulting from acts of third parties.

2.9 Restricted Access Fence and Gates. Access to all or any portion of the Properties may, at sole discretion of Declarant or the Board of Directors, be restricted by a fence and one or more gates located along the perimeter of the Properties. Vehicular access into the Properties may be restricted by electronically operated or other controlled access entry gates located at the entrances into the Properties, and pedestrian access may be restricted by pedestrian gates at other points as well. The restricted access gates may or may not be staffed, at the discretion of the Declarant or Board of Directors. Any gate staffing may be modified or eliminated at any time without notice. The use and operation of any restricted access fence and gate may be limited or eliminated from time to time by the Declarant or the Board of Directors.

2.10 Utility Lines. Each Owner, occupant, guest, and invitee acknowledges that the Association, the Board, the Developer and Declarant shall not be considered in any way insurers or guarantors of health or safety within the Properties and the Association, the Board, the Developer and Declarant shall not be held liable for any personal injury, illness or any other loss or damage caused by the presence or malfunction of utility lines or utility sub-stations adjacent to, near, over, or on the Properties. Each Owner, occupant, guest, and invitee assumes all risk of personal injury, illness, or other loss or damage arising from the presence of utility lines or utility sub-stations and further acknowledges that neither Declarant, Developer nor the Association has made any representations or warranties, and no Owner, occupant, guest, or invitee has relied upon any representations or warranties, expressed or implied, relative to the condition or impact of utility lines or utility sub-stations.

2.11 Relationship with Tax-Exempt Organizations. The Declarant or the Association may create, enter into agreements or contracts with, or grant exclusive or non-exclusive easements (such as conservation easements) over the Common Area to non-profit, tax-exempt organizations for the benefit of the Properties. The Association may contribute money, real or personal property or services to any such entity. Any such contribution shall be a Common Expense and included as a line item in the Association's annual budget. For the purposes of this Section a "tax-exempt organization" shall mean an entity which is exempt from federal income taxes under the Internal Revenue Code, including but not limited to, Sections 501(c)(3) or 501(c)(4) thereof.

2.12 Presence and Management of Wildlife.

(a) Each Owner and occupant, and each tenant, guest and invitee of any Owner or occupant acknowledges that the Properties are located adjacent to and in the vicinity of wetlands, bodies of water and other natural areas. Such areas may contain wildlife, including without limitation, deer, opossums, alligators, reptiles, and snakes. The Association, the Board, the Developer, the original Declarant, and any successor Declarant shall not be liable or responsible for any personal injury, illness or any other loss or damage caused by the presence of wildlife on the Properties. Each Owner and occupant of a Lot and each tenant, guest, and invitee of any Owner or occupant shall assume all risk of personal injury, illness, or other loss or damage arising from the presence of wildlife and further acknowledges that the Association, the Board, the Developer, the original Declarant or any successor Declarant has made no representations or warranties, and Owner or occupant, or any tenant, guest, or invitee of any Owner or occupant has not relied upon any representations or warranties, expressed or implied, relative to the presence of such wildlife.

(b) The Declarant, the Developer, or the Association after the Development Period has the sole discretion and the right, but not the obligation, to engage in wildlife and fishery management plans and practices on the Properties to the extent that such practices are permitted by applicable state and

federal law. For the purpose of illustration and not limitation, this includes the right to manage and control any populations of white-tailed deer, feral hogs, raccoons, alligators and other wildlife through a variety of techniques, including organized hunting, shooting, trapping, relocating, sterilization, and habitat manipulation. The Declarant, the Developer, or the Association after the Development Period has the sole discretion to commission environmental studies and reports relating to the Properties and the wildlife habitats located thereon, and may elect to follow or disregard any recommendations resulting from such studies. The Declarant may assign the management rights under this paragraph to the Association at any time, upon which the expenses of the management activities shall be funded by General Assessments.

2.13 Lakes or Ponds. The Association, the Developer, the original Declarant and any successor Declarant shall not be held liable for any loss or damage by reason of use of any lake or pond within the Properties for any purpose by Owners, their invitees, licensees, and tenants. Each Owner acknowledges, understands and covenants to inform Owner's tenants and all occupants of Owner's Lot that the Association, the Board of Directors, ARB and committees, the Developer, Declarant, and any successor Declarant are not insurers and that each Person using any lake or pond shall do so only in accordance with any rules adopted by the Board and applicable governmental laws, ordinances, rules and regulations. Each Person assumes all risks of personal injury, and loss or damage to property, including Lots, resulting from or associated with use of any lake or pond. In addition, the Declarant, the Developer and the Association shall not be responsible for maintaining, increasing or decreasing the water level within any other water body or removing vegetation from any other water body. Lakes, detention or retention ponds, or other wetlands in the Properties, may be designed as water management areas and are not necessarily designed as recreational or aesthetic features. Due to fluctuations in ground water elevations within the immediate area, the water level of lakes and waterways will rise and fall. Neither the Declarant, the Developer nor the Association has control over water elevations, shore features or treatments, landscaping or any other matters related to water features in the Properties.

ARTICLE 3: MEMBERSHIP AND VOTING RIGHTS

3.1 Membership. Every Owner shall be a Member of the Association. Each Lot shall have only one membership. If a Lot is owned by more than one Person, all co-Owners shall share the privileges of membership, subject to reasonable Board regulation and the restrictions on voting set forth in Section 3.2(d) and in the By-Laws. The membership rights of an Owner that is not a natural person may be exercised by any officer, director, member, manager, partner or trustee of the Owner, or by any individual designated from time to time by the Owner in a written instrument provided to the secretary of the Association.

3.2 Voting. The Association shall have two (2) classes of membership, Class "A" and Class "B."

(a) Class "A". Class "A" Members shall be all Owners except the Class "B" Member, if any. Each Class "A" Member shall have one equal vote for each Lot in which the Owner holds the interest required for membership under Section 3.1; *provided however*, only one vote shall be exercised per Lot, and no vote shall be exercised for any property that is exempt from assessment under Section 8.10. The Owner of two (2) contiguous Lots, as shown on the final subdivision plat recorded in the Public Records, on which one home is constructed that crosses the boundary line separating Lots, shall have a single vote for both Lots. All Class "A" votes shall be cast as provided in Section 3.2(d) below.

(b) Class "B". The sole Class "B" Member shall be the Declarant. The rights of the Class "B" Member (including the right to approve or withhold approval of actions proposed under this

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Declaration, the By-Laws and the Articles) and the right to appoint the members of the Board of Directors, are specified in the relevant sections of this Declaration, the By-Laws and the Articles. When the Class "B" membership is terminated, the Declarant shall be a Class "A" Member entitled to Class "A" votes for each Lot that Declarant owns. After termination of the Class "B" membership, the Declarant shall have a right to disapprove actions of the Board, the ARB, and committees as provided in the Declaration. The Class "B" membership shall continue until the first to occur of the following:

(i) when one hundred percent (100%) of the total number of Lots shown on the Master Plan for the property described on Exhibits A and B have certificates of occupancy issued thereon and have been conveyed to Persons other than Declarant or Builders;

(ii) December 31, 2013; or

(iii) when, in the discretion of the Class "B" Member, the Class "B" Member voluntarily relinquishes such right.

(c) Additional Classes of Membership. The Declarant may, by Supplemental Declaration, create additional classes of membership for the owners of Lots within any Additional Property made subject to this Declaration pursuant to Article 7, with such rights, privileges and obligations as may be specified in such Supplemental Declaration, in recognition of the different character and intended use of the property subject to such Supplemental Declaration.

(d) Exercise of Voting Rights. If a Lot has more than one Owner, the vote for the Lot shall be exercised as the co-Owners determine among themselves and notify the secretary of the Association in writing prior to a vote being taken. Absent this notice, the vote attributable to the Lot shall be suspended if more than one Person seeks to exercise it. No vote shall be exercised on behalf of any Lot if any assessment for the Lot is delinquent.

3.3 Neighborhoods

(a) Every Lot shall be located within a Neighborhood; *provided however*, until more than one Neighborhood is established, the Properties shall consist of one Neighborhood. The Declarant, in Declarant's sole discretion, may establish Neighborhoods within the Properties by designation on Exhibit A to this Declaration, a Supplemental Declaration, or a plat. During the Development Period, the Declarant may unilaterally amend this Declaration, any Supplemental Declaration, or any plat from time to time to assign property to a specific Neighborhood, to re-designate Neighborhood boundaries, or to remove property from a specific Neighborhood.

(b) The Owner(s) of a Majority of the total number of Lots within any Neighborhood may at any time petition the Board of Directors to divide the property comprising the Neighborhood into two (2) or more Neighborhoods. Such petition shall be in writing and shall include a survey of the entire parcel that indicates the proposed boundaries of the new Neighborhoods or otherwise identifies the Lots to be included within the proposed Neighborhoods. Such petition shall be deemed granted thirty (30) Days following the filing of all required documents with the Board unless the Board of Directors denies such application in writing within the thirty (30) Day period. The Board may deny an application only upon determination that no reasonable basis exists for distinguishing between the areas proposed to be divided into separate Neighborhoods. All applications and copies of any denials shall be filed with the books and records of the Association. The Owners requesting the division shall be responsible for any expenses incurred with respect to implementing a division of a Neighborhood, including but not limited to, a Supplemental Declaration or revised plat, if the application is approved.

(c) The Lots within a particular Neighborhood may be subject to additional covenants or the Lot Owners may be members of a Neighborhood Association in addition to the Association, but a Neighborhood Association shall not be required except as mandated by law (such as for a condominium). Any Neighborhood that does not have a Neighborhood Association may, but shall not be obligated to, elect a Neighborhood Committee, as described in the By-Laws, to represent the interests of Owners of Lots in the Neighborhood. No Neighborhood Association or Neighborhood Committee shall be established without the prior submission to and written approval of Declarant of all documents creating or establishing the Neighborhood Association or Neighborhood Committee, including without limitation, the submission of any declaration of condominium, articles of incorporation, by-laws and other organizational and governing documents.

(d) A Neighborhood may request that the Association provide a higher level of service or special services for the benefit of Lots in the Neighborhood. The Association may, in the Association's sole discretion, provide the requested services upon approval of Owners of a Majority of the Lots within the Neighborhood (by vote at a duly called meeting, written consent, or a combination thereof). The cost of the services may include a reasonable administrative charge in such amount as the Board deems appropriate, provided any administrative charge shall apply at a uniform rate per Lot to all Neighborhoods receiving the same service. The costs of the services shall be assessed against the Lots within the Neighborhood as a Neighborhood Assessment pursuant to Article 8 hereof.

(e) With respect to any portion of the Properties that is subject to the jurisdiction of a Neighborhood Association, the Voting Delegate and alternate Voting Delegate for that Neighborhood (as described in Section 3.4) shall be the president and secretary of the Neighborhood Association, respectively.

3.4 Voting Delegates. The Board (in the Board's sole discretion) shall have the option to determine whether Voting Delegates shall be elected for each Neighborhood; *provided, however*, all Neighborhoods that are similarly situated shall be treated the same. Until such time as the Board first calls for election of a Voting Delegate for any Neighborhood, the Owners within the Neighborhood shall be entitled personally to cast the votes attributable to their Lots on any issue requiring a vote under this Declaration, the By-Laws or the Articles. If the Board determines that Voting Delegates shall be elected, the elections and Voting Delegates shall be subject to the following procedures unless the Governing Documents for a Neighborhood provide for stricter requirements:

(a) The Board shall send notice of the election of a Voting Delegate to all Owners within the Neighborhood; *provided, however*, the first election of a Voting Delegate for any Neighborhood shall not be held until at least fifty percent (50%) of the Lots planned for a Neighborhood have been conveyed to Persons other than the Declarant or a Builder. After the initial election of a Voting Delegate for a Neighborhood, subsequent elections shall take place on an annual basis.

(b) Elections may take place by written ballot cast by mail or at a meeting of the Class "A" Members within each Neighborhood, as the Board determines; *provided, however*, upon written petition signed by Class "A" Members holding at least ten percent (10%) of the votes attributable to Lots within any Neighborhood, the election for the Neighborhood shall be held at a meeting.

(c) The presence, in person or by proxy, of Class "A" Members representing at least ten percent (10%) of the total Class "A" votes attributable to Lots in the Neighborhood shall constitute a quorum at any Neighborhood meeting. Each Class "A" Member who owns a Lot within the Neighborhood shall be entitled to cast one equal vote per Lot owned in the same manner as set forth in Section 3.2.

(d) At each election, the Owners within each Neighborhood shall elect a Voting Delegate who shall be responsible for casting all votes attributable to Lots owned by Class "A" Members in the Neighborhood on all Association matters requiring a membership vote. In addition, each Neighborhood shall elect an alternate Voting Delegate who shall be responsible for casting votes in the absence of the Voting Delegate. The candidate who receives the greatest number of votes shall be elected as Voting Delegate and the candidate receiving the next greatest number of votes shall be elected as the alternate Voting Delegate. The Voting Delegate and the alternate Voting Delegate shall serve a term of one year or until successors are elected. No Person shall be eligible to serve as a Voting Delegate or an alternate Voting Delegate if any assessment for that Person's Lot is delinquent.

(e) Any Voting Delegate or alternate Voting Delegate may be removed, with or without cause, upon the vote or written petition of Owners holding at least a Majority of the total Class "A" votes attributable to Lots in the Neighborhood that the Voting Delegate or alternate Voting Delegate represents. Any Voting Delegate or alternate Voting Delegate shall be removed automatically and ineligible to cast the votes attributable to Lots in the Voting Delegate's Neighborhood if any assessment for such Voting Delegate's Lot is delinquent. Upon removal of a Voting Delegate or an alternate, a successor shall be elected by the Owners of Lots within the Neighborhood to fill the vacancy for the remainder of the delegate's term.

(f) Except as otherwise specifically provided in the By-Laws, Articles or this Declaration, each Voting Delegate shall cast all votes that the Voting Delegate represents as the Voting Delegate, in its discretion, deems appropriate; *provided however*, if a Voting Delegate represents a Neighborhood in which the Declarant owns one or more Lots, the Declarant may direct in writing to that Voting Delegate the manner in which Declarant's votes for Declarant's Lots are to be cast by the Voting Delegate. Prior to taking a vote on any issue requiring membership approval, the Association shall distribute proxies to all Members represented by Voting Delegates allowing each Member to direct in writing how the Member's vote is to be cast by the Voting Delegate who represents the Member. The Voting Delegates shall be required to cast all votes for which specific proxies are returned in the manner directed in the proxies. The Board may adopt resolutions establishing additional procedures for polling Members.

ARTICLE 4: RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

4.1 Function of Association. The Association shall be the entity responsible for management, maintenance, operation and control of the Area of Common Responsibility and all improvements thereon. The Association shall be the primary entity responsible for enforcement of this Declaration and such reasonable rules regulating use of the Properties as the Board may adopt pursuant to the provisions of this Declaration. The Association shall perform the functions of the Association in accordance with the Governing Documents and the laws of the State of Georgia.

4.2 Personal Property and Real Property for Common Use.

(a) The Association may acquire, hold, and dispose of tangible and intangible personal property and real property. The Declarant and its designees, with the Declarant's prior written consent, may convey to the Association improved or unimproved real estate, or interests in real estate, located within the real property described in Exhibits A or B, personal property and leasehold and other property interests. Property conveyed to the Association by the Declarant shall be deemed accepted by the Association upon delivery of any personal property, or upon recording of the deed to real property. The Association hereby constitutes and appoints Declarant as its agent and attorney-in-fact to accept on behalf of the Association any conveyance to the Association and to execute on behalf of the Association any and all documents including without limitation deeds and transfer tax declaration forms, as necessary and convenient to effectuate the conveyance to the Association. The power and agency hereby granted are

coupled with an interest and are irrevocable by death, dissolution or otherwise. After delivery or conveyance, the property shall be maintained by the Association at its expense for the benefit of its Members, subject to any restrictions set forth in the deed or other instrument transferring the property to the Association. Declarant and Developer shall not be required to make any improvements or repairs whatsoever to property to be conveyed and accepted pursuant to this Section including, without limitation, dredging or otherwise removing silt from any body of water conveyed. Upon written request of Declarant, the Association shall re-convey to Declarant any portions of the Properties originally conveyed by Declarant to the Association for no consideration, to the extent conveyed by Declarant in error or needed by Declarant to make adjustments in property lines, provided that the reconveyance has no material adverse effect upon the rights of the Owners.

(b) The Association agrees that the Common Area, including all improvements thereon, shall be conveyed in its "where is, as is" condition and without recourse, and Declarant disclaims and makes no representations, warranties or other agreements express or implied with respect thereto (except any warranties of title contained in the instrument of conveyance), including without limitation, representations or warranties of merchantability or fitness for the ordinary or any particular purpose, and representations or warranties regarding the conditions, design, construction, accuracy, completeness, adequacy of the size or capacity in relation to use or the future economic performance or operations of the Common Area. No claim shall be made by the Association or any Owner relating to the condition, operation, or completeness of the Common Area, or for incidental or consequential damages arising therefrom. Declarant will transfer and assign to the Association, without recourse, all warranties that it receives from manufacturers and suppliers relating to any of the Common Area that exist and are assignable.

4.3 Enforcement. The Association acting through the Board shall have the following means of enforcement of the covenants, conditions and restrictions under this Declaration, to be exercised as set forth below.

(a) Board Sanctions. The Board or any committee established by the Board, with the Board's approval, may impose sanctions for violation of the Governing Documents after compliance with the notice and hearing procedures set forth in Section 3.23 of the By-Laws. If any occupant, guest or invitee of an Owner or resident violates the Governing Documents, the Board or any committee established by the Board, with the Board's approval, may sanction any occupant, guest or invitee or the Owner of the Lot that the violator is occupying or visiting. If any occupant, guest or invitee of an Owner or occupant violates the Governing Documents and a fine is imposed, the fine may first be assessed against the occupant; *provided however*, if the fine is not paid by the occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the Board. Board sanctions may include, without limitation:

- (i) imposing monetary fines which shall constitute a lien upon the Lot of the violator;
- (ii) filing notices of violations in the Public Records providing record notice of any violation of the Governing Documents;
- (iii) suspending an Owner's right to vote;
- (iv) suspending any Person's right to use any recreational facilities within the Common Area and any part of the Exclusive Common Area; provided however, nothing herein shall authorize the Board to limit ingress or egress to or from a Lot; and

(v) suspending any services provided by the Association to an Owner or the Owner's Lot if the Owner is more than thirty (30) Days delinquent in paying any assessment or other charge owed to the Association.

(b) Self-Help. The Board, or the covenants committee if established, may elect to enforce any provision of the Governing Documents by exercising self-help (specifically including, but not limited to, the filing of liens in the Public Records for non-payment of assessments and other charges, the towing of vehicles that are in violation of parking rules, the removal of pets that are in violation of pet rules, or the correction of any maintenance, construction or other violation of the Governing Documents) without the necessity of compliance with the procedures set forth in the By-Laws. The Association may levy Specific Assessments to cover all costs incurred in bringing a Lot into compliance with the Governing Documents.

(c) Filing Suit. The Association may also elect to enforce any provisions of the Governing Documents by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedures set forth in the By-Laws.

(d) Remedies. All remedies set forth in this Declaration and the By-Laws shall be cumulative of any remedies available at law or in equity. In any action or remedy taken by the Association to enforce the provisions of the Governing Documents, if the Association prevails, the Association shall be entitled to recover all costs, including without limitation attorneys' fees and court costs, incurred in the action.

(e) Exercise by Board. The Association shall not be obligated to take action to enforce any covenant, restriction, or rule that the Board in the exercise of its business judgment determines is, or is likely to be construed as, inconsistent with applicable law, or in any case in which the Board reasonably determines that the Association's position is not strong enough to justify taking enforcement action. Any determination by the Board under this paragraph shall not be construed a waiver of the right of the Association to enforce the provision under any circumstances or prevent the Association from enforcing any other covenant, restriction or rule.

(f) Enforcement of Ordinances by Board. The Association, by contract or other agreement, may enforce county, city, state and federal ordinances, if applicable, and permit local and other governments to enforce ordinances on the Properties for the benefit of the Association and its Members.

4.4 Implied Rights; Board Authority. The Association may exercise any right or privilege given to it expressly by this Declaration or the By-Laws, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in this Declaration, the By-Laws, the Articles, or by law, all rights and powers of the Association may be exercised by the Board without a vote of the membership.

4.5 Indemnification.

(a) The Association shall indemnify every officer, director, ARB member and committee member against all damages, liabilities, and expenses, including reasonable attorneys fees, incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which each may be a party by reason of being or having been an officer, director, ARB member or committee member, except that such obligation to indemnify shall be limited to those actions for which liability is limited under this Section, the Articles of Incorporation and Georgia law.

(b) The officers, directors, ARB members and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers, directors, ARB members, and committee members shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association (except to the extent that such officers, directors, ARB members or committee members may also be Members of the Association). The Association shall indemnify and forever hold each such officer, director, ARB member and committee member harmless from any and all liability to others on account of any such contract, commitment or action. This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director, ARB member or committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

4.6 Dedication of or Grant of Easements on Common Area. The Association may dedicate or grant easements across portions of the Common Area to Fulton County, Cherokee County, the State of Georgia, or to any other local, state, or federal governmental or quasi-governmental entity, or to any public or private utility company, or to a Private Amenity.

4.7 Powers of the Association Relating to Neighborhood Associations. The Association may veto any action taken or contemplated by any Neighborhood Association that the Board reasonably determines to be adverse to the interests of the Association or the Members of the Association or inconsistent with the Community-Wide Standard. The Association also may require specific actions to be taken by any Neighborhood Association to fulfill the obligations and responsibilities of the Neighborhood under any Governing Document. (For example, the Association may require that specific maintenance or repairs or aesthetic changes be performed by the Neighborhood Association.) If the Neighborhood Association fails to comply with the Association's requirements within a reasonable time as specified in writing by the Association, the Association may take such action on behalf of the Neighborhood Association and assess the Lots within such Neighborhood for any expenses incurred by the Association in taking such action. Such assessments may be collected as a Specific Assessment.

4.8 Provision of Services. The Association may provide services and facilities for the Members of the Association and their guests, lessees and invitees beyond those required by the Declaration. The Association shall be authorized to enter into contracts or other similar agreements with other entities, including Declarant, to provide services and facilities. The costs of services and facilities provided by the Association may be funded by the Association as a Common Expense or a Neighborhood Expense, depending on whether the service or facility is provided to all Lots or only the Lots within a specified Neighborhood. In addition, the Board shall be authorized to charge use and consumption fees for services and facilities through Specific Assessments or by requiring payment at the time the service or facility is provided. As an alternative, the Association may arrange for the costs of the services and facilities to be billed directly to Owners by the provider(s) of the services and facilities. By way of example, some services and facilities that may be provided include landscape maintenance, garbage collection, pest control service, cable, digital, satellite or similar television service, internet, intranet, and other computer related services, security, caretaker, fire protection, utilities, and similar services and facilities. The Board, without the consent of the Class "A" Members of the Association, shall be permitted to modify or cancel existing services or facilities provided, if any, or to provide additional services and facilities. Nothing contained herein can be relied upon as a representation as to the services and facilities, if any, which will be provided by the Association.

ARTICLE 5: MAINTENANCE**5.1 Association's Responsibility.**

(a) The Association shall maintain and keep in good condition, order and repair the Area of Common Responsibility, which includes, but need not be limited to:

- (i) all Common Area;
- (ii) all landscaping and other flora, parks, lakes, ponds, structures, and improvements, including any entry features, private streets, parking areas, sidewalks, bike and pedestrian pathways or trails, tennis courts and swimming pools situated upon the Common Area;
- (iii) all furnishings, equipment and other personal property of the Association;
- (iv) any landscaping and other flora, parks, Trail System, sidewalks, buffers, entry features, structures and improvements within public rights-of-way in or abutting the Properties or upon such other public land adjacent to the Properties as deemed necessary in the discretion of the Board;
- (v) such additional portions of any property included within the Area of Common Responsibility as may be dictated by this Declaration, any Supplemental Declaration, any Cost-Sharing Agreement, or any contract or agreement for maintenance thereof entered into by the Association;
- (vi) all ponds, lakes, streams or wetlands located within the Properties that serve as part of the drainage and storm water retention system for the Properties, including any retaining walls, bulkheads or dams (earthen or otherwise) retaining water therein, and any fountains, lighting, pumps, conduits, and similar equipment installed therein or used in connection therewith unless such facilities are located within a Private Amenity and are maintained by the owner of the Private Amenity;
- (vii) all buffer zones and non-disturbance areas (whether on Common Area or Lots) as required by local authorities; and
- (viii) any property and facilities owned by the Declarant and made available, on a temporary or permanent basis, for the primary use and enjoyment of the Association and the Members of the Association, such property and facilities to be identified by written notice from the Declarant to the Association and to remain a part of the Area of Common Responsibility and be maintained by the Association until such time as Declarant revokes such privilege of use and enjoyment by written notice to the Association.

(b) The Association may, as a Common Expense, maintain other property and improvements that the Association does not own, including, without limitation, property dedicated to the public (such as shoulder of a right-of-way), or provide maintenance or services related to such property over and above the level being provided by the property owner, if the Board of Directors determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

(c) The Association shall maintain the facilities and equipment within the Area of Common Responsibility in continuous operation, except for any periods necessary, as determined in the sole discretion of the Board, to perform required maintenance or repairs, unless Members holding sixty-seven percent (67%) of the Class "A" votes in the Association and during the Development Period the Declarant agree in writing to discontinue such operation.

(d) The Association may be relieved of all or any portion of the Association's maintenance responsibilities herein to the extent that (i) the maintenance responsibility is assumed by or assigned to an Owner or a Neighborhood Association, (ii) the property is dedicated to any local, state, or federal government or quasi-governmental entity, or (iii) the maintenance responsibility is assumed or assigned to a Private Amenity or to a party under a Cost-Sharing Agreement. In connection with an assumption, assignment or dedication under this subparagraph, the Association may reserve or assume the right or obligation to continue to perform all or any portion of the Association's maintenance responsibilities, if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard. Except as provided above, the Area of Common Responsibility shall not be reduced by amendment of this Declaration or any other means during the Development Period except with the written consent of the Declarant.

(e) Except as otherwise specifically provided herein, all costs associated with maintenance, repair and replacement of the Area of Common Responsibility shall be a Common Expense to be allocated among all Lots as part of the General Assessment, without prejudice to the right of the Association to seek reimbursement from the owner(s) of, or other Persons responsible for, certain portions of the Area of Common Responsibility pursuant to the Governing Documents, any recorded covenants, or any agreements with the owner(s) thereof. All costs associated with maintenance, repair and replacement of Exclusive Common Areas shall be a Neighborhood Expense assessed as a Neighborhood Assessment solely against the Lots within the Neighborhood(s) to which the Exclusive Common Areas are assigned, or a Specific Assessment against the particular Lots to which the Exclusive Common Areas are assigned, even though the Association may be responsible for performing such maintenance hereunder. If all Lots within a Neighborhood have similar Exclusive Common Areas, the Association may combine those expenses and assess the costs as Neighborhood Assessments against all Lots within the Neighborhood. If all Lots within the Properties have similar Exclusive Common Areas, the Association may combine those expenses and assess the costs as General Assessments against all Lots within the Properties.

(f) If the Association fails to properly perform the Association's maintenance responsibilities hereunder and to comply with the Community-Wide Standard, the Declarant may, upon not less than ten (10) Days' notice and opportunity to cure such failure, cause such maintenance to be performed and in such event, shall be entitled to reimbursement from the Association for all costs incurred.

5.2 Owner's Responsibility. Each Owner shall maintain Owner's Lot, and all structures, parking areas, sprinkler and irrigation systems, landscaping and other flora, and other improvements on the Lot in a manner consistent with the Community-Wide Standard and all Governing Documents, unless this maintenance responsibility is otherwise assumed by or assigned to the Association or a Neighborhood Association. Each Owner shall also maintain the driveway and mailbox serving Owner's Lot and all landscaping located in the right-of-way immediately adjacent to the Owner's Lot. Additionally, each Owner shall be responsible for keeping any storm drains, ditches or swales located upon Owner's Lot clear of debris. In addition to any other enforcement rights, if an Owner fails to perform Owner's maintenance responsibility properly, the Association may perform these maintenance responsibilities and assess all costs incurred by the Association against the Lot and the Owner in accordance with Section 8.6. The Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry, except when entry is required due to an emergency situation. Entry under this Section shall not constitute a trespass.

5.3 Neighborhood's Responsibility. Upon resolution of the Board of Directors, the Owners of Lots within each Neighborhood shall be responsible for paying, through Neighborhood Assessments, the costs of operating, maintaining and insuring certain portions of the Area of Common Responsibility within or adjacent to such Neighborhood. This may include, without limitation, the costs of maintaining any signage, entry features, rights-of-way and greenspace between the Neighborhood and adjacent public

roads, private streets within the Neighborhood, and lakes or ponds within the Neighborhood, regardless of ownership or the Person performing the maintenance; *provided however*, all Neighborhoods that are similarly situated shall be treated the same in assessment of costs associated with operating, maintaining and insuring such portions of the Area of Common Responsibility. Any Neighborhood Association having responsibility for maintenance within a particular Neighborhood pursuant to additional covenants applicable to the Neighborhood shall perform the maintenance responsibility in a manner consistent with the Community-Wide Standard. If the Neighborhood Association fails to do so, the Association may perform the maintenance responsibilities and assess the costs as a Neighborhood Assessment against all Lots within such Neighborhood as provided in Section 8.2.

5.4 Standard of Performance. Unless otherwise specifically provided herein or in other instruments creating and assigning such maintenance responsibility, responsibility for maintenance shall include responsibility for repair and replacement, as necessary. All maintenance shall be performed in a manner consistent with the Community-Wide Standard and all Governing Documents.

5.5 Party Walls and Similar Structures.

(a) General Rules of Law to Apply. Each wall, fence, driveway or similar structure built as a part of the original construction on the Lots that serves or separates any two (2) adjoining Lots shall constitute a party structure. To the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

(b) Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party structure shall be shared equally by the Owners who make use of the party structure.

(c) Damage and Destruction. If a party structure is destroyed or damaged by fire or other casualty, then to the extent that the damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who has used the structure may restore it. If other Owners thereafter use the structure, they shall contribute to the restoration cost in equal proportions. Such contribution will not prejudice the right to call for a larger contribution from the other users under any rule of law regarding liability for negligent or willful acts or omissions.

(d) Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors-in-title.

5.6 Cost-Sharing Agreements.

(a) Certain residential, nonresidential or recreational areas may be located adjacent to or in the vicinity of the Properties (including without limitation Private Amenities, single family residential developments, retail, commercial, or business areas) that are not subject to this Declaration, and that are neither Lots nor Common Area as defined in this Declaration (hereinafter "adjacent properties"). The owners of the adjacent properties shall not be Members of the Association, shall not be entitled to vote, and shall not be subject to assessment under Article 8 of this Declaration.

(b) The Association may enter into one or more Cost-Sharing Agreements with the owners or operators of portions of the adjacent properties as follows:

(i) to obligate the owners or operators of adjacent properties to perform or to share in certain costs associated with, the maintenance, repair, replacement and insuring of portions of the Area of

Common Responsibility, if any, that are used by or benefit jointly the owners or operators of adjacent properties and the owners within the Properties;

(ii) to permit use of any recreational and other facilities located on the Common Areas by the owners or operators of adjacent properties;

(iii) to permit use of any recreational and other facilities located on adjacent properties by the Owners of all Lots;

(iv) to obligate the Association to share in certain costs associated with the maintenance, repair, replacement and insuring of portions of adjacent properties, if any, that are used by or benefit jointly the owners or operators of adjacent properties and the owners within the Properties; or

(v) to establish rules and regulations regarding the use of areas that benefit jointly the owners or operators of adjacent properties and the Owners within the Properties.

(c) The owners or operators of adjacent properties shall be subject to assessment by the Association only in accordance with the provisions of any Cost-Sharing Agreements. If the Association is obligated to share costs incurred by the owners of adjacent properties, the payments by the Association shall be deemed to constitute Common Expenses of the Association unless the Cost-Sharing Agreement provides otherwise. The owners or operators of the adjacent properties shall not be subject to the restrictions contained in this Declaration unless specifically provided herein.

ARTICLE 6: INSURANCE AND CASUALTY LOSSES

6.1 Association Insurance.

(a) Required Coverages.

(i) The Association, acting through the Board or a duly authorized agent, shall obtain and continue in effect the following types of insurance, if reasonably available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available:

(1) Blanket property insurance covering "risks of direct physical loss" on a "special form" basis (or comparable coverage, by whatever name denominated) for all insurable improvements on the Common Area, if any, and on other portions of the Area of Common Responsibility to the extent that the Association has assumed responsibility for maintenance, repair or replacement in the event of a casualty. If this coverage is not generally available at reasonable cost, then "broad form" coverage may be substituted. The Association shall have the authority and interest necessary for insuring any property for which it has maintenance or repair responsibility, regardless of ownership. All property insurance policies obtained by the Association shall have policy limits sufficient to cover the full replacement cost of the insured improvements;

(2) Commercial general liability insurance on all public ways located within the Properties and on the Area of Common Responsibility, insuring the Association and the Members of the Association for damage or injury caused by the negligence of the Association or any of the Members, of the Association employees, agents, or contractors while acting on behalf of the Association. If generally available at reasonable cost, the commercial general liability coverage (including primary and any umbrella coverage) shall have a limit of at least one million dollars (\$1,000,000.00) per occurrence with respect to bodily injury, personal injury, and property

damage, provided should additional coverage and higher limits be available at reasonable cost which a reasonably prudent person would obtain, the Association shall obtain such additional coverages or limits;

(3) Workers compensation insurance and employers liability insurance, if and to the extent required by law;

(4) Directors and officers liability coverage (or comparable coverage by whatever name denominated);

(5) Fidelity insurance covering all Persons responsible for handling Association funds in an amount determined in the Board's best business judgment but not less than an amount equal to one-sixth (1/6th) of the annual General Assessments on all Lots plus reserves on hand. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation; and

(6) Any additional insurance as the Board, in its best business judgment, determines advisable, which may include, without limitation, flood insurance.

(ii) In the event that any portion of the Common Area is or shall become located in an area identified by the Federal Emergency Management Agency ("FEMA") as an area having special flood hazards, a "blanket" policy of flood insurance on the Common Area must be maintained in the amount of one hundred percent (100%) of current "replacement cost" of all affected improvements and other insurable property or the maximum limit of coverage available, whichever is less.

(iii) In addition, the Association may obtain and maintain property insurance on the insurable improvements within any Neighborhood in such amounts and with such coverages as the Owners in the Neighborhood may agree upon pursuant to Section 3.3. Any such policies shall provide for a certificate of insurance to be furnished to the Neighborhood Association and to the Owner of each Lot insured upon request.

(iv) Premiums for all insurance on the Area of Common Responsibility shall be Common Expenses and shall be included in the General Assessment, except that (i) premiums for property insurance obtained on behalf of a Neighborhood shall be charged to the Owners of Lots within the benefitted Neighborhood as a Neighborhood Assessment; and (ii) premiums for insurance on Exclusive Common Areas may be included in the Neighborhood Assessment of the Neighborhood(s) benefitted or Specific Assessments for the Lots benefitted, unless the Board of Directors reasonably determines that other treatment of the premiums is more appropriate. In the event of an insured loss, the deductible shall be treated as a Common Expense, a Neighborhood Expense or a Specific Expense, and assessed in the same manner as the premiums for the applicable insurance coverage. If the Board reasonably determines, after notice and an opportunity to be heard in accordance with the By-Laws, that the loss resulted from the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may specifically assess the full amount of such deductible against such Owner(s) and their Lots pursuant to Section 8.6.

(v) Except as may be required pursuant to a Cost-Sharing Agreement, the Association shall have no insurance responsibility for any portion of the Private Amenities.

(b) Policy Requirements.

(i) The Association shall arrange for periodic reviews of the sufficiency of insurance coverage by one or more qualified Persons, at least one of whom must be familiar with insurable replacement costs in the metropolitan Atlanta, Georgia area.

(ii) All Association policies shall provide for a certificate of insurance to be furnished to the Association and to each Member upon written request. The policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 6.1(a).

(iii) All insurance coverage obtained by the Board shall:

(1) be written with a company authorized to do business in the State of which satisfies the requirements of the Federal National Mortgage Association, or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate;

(2) be written in the name of the Association as trustee for the benefitted parties. Policies on the Common Areas shall be for the benefit of the Association and the Association Members. Policies secured on behalf of a Neighborhood shall be for the benefit of the Owners of Lots within the Neighborhood and their Mortgagees, as their interests may appear;

(3) not be brought into contribution with insurance purchased by Owners, occupants, or their Mortgagees individually;

(4) contain an inflation guard endorsement;

(5) include an agreed amount endorsement, if the policy contains a co-insurance clause; and

(6) contain an endorsement requiring at least thirty (30) Days prior written notice to the Association of any cancellation, substantial modification, or non-renewal.

(iv) In addition, the Board shall use reasonable efforts to secure insurance policies that list the Owners as additional insureds and provide:

(1) a waiver of subrogation as to any claims against the Association's Board, officers, employees, and manager, the Owners and their tenants, servants, agents, and guests;

(2) a waiver of the insurer's rights to repair and reconstruct instead of paying cash;

(3) an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of any one or more individual Owners, or on account of any curable defect or violation without prior written demand to the Association to cure the defect or violation and allowance of a reasonable time to cure;

(4) an endorsement excluding Owners' individual policies from consideration under any "other insurance" clause;

(5) a cross liability provision; and

(6) a provision vesting the Board with the exclusive authority to adjust losses; provided however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related to the loss.

(c) Damage and Destruction.

(i) In the event of any insured loss covered by insurance held by the Association, only the Board or the duly authorized agent of the Board may file and adjust insurance claims and obtain reliable and detailed estimates of the cost of repair or reconstruction. Repair or reconstruction, as used in this subsection, means repairing or restoring the property to substantially the condition existing prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.

(ii) Any damage to or destruction of the Common Area shall be repaired or reconstructed unless the Members holding at least sixty-seven percent (67%) of the total Class "A" votes in the Association, and during the Development Period the Declarant decide within sixty (60) Days after the loss either (i) not to repair or reconstruct or (ii) to construct alternative improvements.

(iii) If either the insurance proceeds or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not available to the Association within such sixty (60) Day period, then the period shall be extended until such funds or information are available, not to exceed sixty (60) additional Days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed.

(iv) If determined in the manner described above that the damage or destruction to the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in a neat and attractive, landscaped condition consistent with the Community-Wide Standard.

(v) Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, shall be retained by and for the benefit of the Association or the Neighborhood, as appropriate, and placed in a capital improvements account. This is a covenant for the benefit of Mortgagees and may be enforced by the Mortgagee of any affected Lot.

(vi) If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board of Directors may, without a vote of the Members, levy Special Assessments to cover the shortfall against those Owners responsible for the premiums for the applicable insurance coverage under Section 6.1(a).

6.2 Owners' Insurance.

(a) By virtue of taking title to a Lot, each Owner covenants and agrees with all other Owners and with the Association to carry property insurance for the full replacement cost of all insurable improvements on Owner's Lot, less a reasonable deductible, unless either the Neighborhood Association (if any) for the Neighborhood in which the Lot is located or the Association carries such insurance (which they may, but are not obligated to do hereunder). If the Association assumes responsibility for obtaining any insurance coverage on behalf of Owners, the premiums for such insurance shall be levied as a Specific Assessment against the benefitted Lot and the Owner thereof pursuant to Section 8.6.

(b) Each Owner further covenants and agrees that in the event of damage to or destruction of structures or landscaping on or comprising Owner's Lot, the Owner shall proceed promptly to repair or to reconstruct the damaged structure or landscaping consistent with the original construction or such other

plans and specifications as are approved in accordance with Article 9. Alternatively, the Owner shall clear the Lot of all debris and ruins and maintain the Lot in a neat and attractive, landscaped condition consistent with the Community-Wide Standard. The Owner shall pay any costs that are not covered by insurance proceeds.

(c) The requirements of this Section shall also apply to any Neighborhood Association that owns common property within the Neighborhood in the same manner as if the Neighborhood Association were an Owner and the common property were a Lot. Additional recorded covenants applicable to any Neighborhood may establish more stringent requirements for insurance and more stringent standards for rebuilding or reconstructing structures on the Lots within such Neighborhood and for clearing and maintaining the Lots in the event the structures are not rebuilt or reconstructed.

6.3 Limitation of Liability.

(a) The Association, the Board of Directors, or successors or assigns, any officer or director or committee member, employee, agent, contractor (including the management company, if any) shall have no liability to any Member or any member of a Member's immediate household for any injury or damage sustained in the Area of Common Responsibility, the Common Area or other area maintained by the Association, or for any injury or damage caused by the negligence or misconduct of any Members or their family members, guests, invitees, agents, servants, contractors or lessees, whether such loss occurs in the Common Area or in individual Lots.

(b) Each Owner, by virtue of the acceptance of title to Owner's Lot, and each other Person having an interest in or right to use any portion of the Properties, by virtue of accepting such interest or right to use, shall be bound by this Section and shall be deemed to have automatically waived any and all rights, claims, demands, and causes of action against the Association arising from or connected with any matter for which the liability of the Association has been disclaimed under this Section.

ARTICLE 7: ANNEXATION AND WITHDRAWAL OF PROPERTY

7.1 Annexation by Declarant. Until December 31, 2015, Declarant may from time to time unilaterally subject to the provisions of this Declaration all or any portion of the Additional Property. The Declarant may transfer or assign this right to annex property, provided that the transferee or assignee is the developer of at least a portion of the real property described in Exhibits A or B and that such transfer is memorialized in a written, recorded instrument executed by Declarant. Such annexation shall be accomplished by filing a Supplemental Declaration in the Public Records describing the property being annexed. A Supplemental Declaration shall not require the consent of the Members, but shall require the consent of the owner of the affected property, if other than Declarant. Annexation shall be effective upon the filing of the Supplemental Declaration in the Public Records, unless otherwise provided therein. Nothing in this Declaration shall be construed to require the Declarant or any successor to annex or develop any of the Additional Property in any manner whatsoever.

7.2 Annexation by Membership. The Association may annex real property to the provisions of this Declaration with the consent of the owner of the property, the affirmative vote of Members holding a Majority of the Class "A" votes of the Association represented at a meeting duly called for such purpose, and, during the Development Period, the written consent of the Declarant. Annexation shall be accomplished by filing a Supplemental Declaration describing the property being annexed in the Public Records. The Supplemental Declaration shall be signed by the president and the secretary of the Association, and by the owner of the property being annexed, and by the Declarant, if the Declarant's consent is required. Annexation shall be effective upon filing of the Supplemental Declaration in the Public Records, unless otherwise provided therein.

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7.3 Withdrawal of Property. The Declarant reserves the right to amend this Declaration during the Development Period for the purpose of removing any portion of the Properties from the coverage of this Declaration, provided the withdrawal is not contrary to the overall, uniform scheme of development for the Properties. By way of example, and not limitation of the foregoing, a removal of property for the purpose of (a) adjusting boundary lines, (b) complying with a governmental statute, rule, regulation or judicial determination, (c) enabling a reputable title insurance company to issue title coverage regarding the Properties or on any portion thereof, (d) enabling an institutional or governmental lender, purchaser, insurer or guarantor of Mortgage loans, including for example the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure or guarantee Mortgage loans on the Lots, (e) satisfying the requirements of any local, state or federal governmental agency, or (f) exempting any tracts of land, either designated now or in the future for nonresidential development, from the provisions of this Declaration, shall be deemed as a permissible withdrawal that is not inconsistent with the overall uniform scheme of development. Such amendment shall not require the consent of any Person other than the owner of the property to be withdrawn, if not the Declarant. If the property is Common Area, the Association shall execute a written consent to the withdrawal. During the Development Period, the Association hereby constitutes and appoints Declarant as its agent and attorney-in-fact to execute on behalf of the Association any and all documents (including without limitation deeds and transfer tax declaration forms), as necessary and convenient to effectuate the consent of the Association to the withdrawal of Common Area. The power and agency hereby granted are coupled with an interest and are irrevocable by death, dissolution or otherwise.

7.4 Additional Covenants and Easements. The Declarant may unilaterally subject any portion of the Properties to additional covenants and easements, including covenants obligating the Association to maintain and insure the property on behalf of the Owners and obligating the Owners to pay the costs incurred by the Association through Neighborhood Assessments. The additional covenants and easements shall be set forth in a Supplemental Declaration filed either concurrently with or after the annexation of the subject property, and shall require the written consent of the owner(s) of the property, if other than the Declarant. Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the subject property for such purposes as deemed appropriate in the Declarant's sole discretion, including but not limited to modifications to reflect the different character and intended use of the property.

7.5 Amendment. This Article shall not be amended during the Development Period without the prior written consent of Declarant.

ARTICLE 8: ASSESSMENTS

8.1 Creation of Assessments.

(a) Types. The following types of assessments are hereby created for Association expenses as the Board may specifically authorize from time to time: (i) General Assessments to fund Common Expenses for the general benefit of all Lots; (ii) Neighborhood Assessments for Neighborhood Expenses benefitting only Lots within a particular Neighborhood or Neighborhoods; (iii) Special Assessments as described in Section 8.5; and (iv) Specific Assessments as described in Section 8.6. Each Owner, by accepting a deed or entering into a recorded contract of sale for any portion of the Properties, is deemed to covenant and agree to pay these assessments.

(b) Lien and Personal Obligation. All assessments and other charges, together with interest, late charges, costs of collection, and reasonable attorneys' fees, shall be a charge and continuing lien upon each Lot against which the assessment or charge is made until paid, as more particularly provided in Section 8.7. Each assessment or charge, together with interest, late charges, costs, and reasonable

attorneys' fees, also shall be the personal obligation of the Person who was the Owner of the Lot at the time the assessment arose. Upon a transfer of title to a Lot, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance, *provided that*, no first Mortgagee who obtains title to a Lot by exercising the remedies provided in its Mortgage shall be liable for unpaid assessments which accrued prior to the acquisition of title.

(c) Statements. Upon written request, the Association shall furnish to any Owner liable for any type of assessment a written statement signed by an Association officer or designee setting forth whether the assessment has been paid. The statement shall be conclusive evidence of payment. The Association may require the advance payment of a reasonable processing fee for the issuance of the statement.

(d) Payment. Assessments shall be paid in the manner and on the dates as the Board may establish, which may include discounts for early payment or similar time/price differentials. The Board may require advance payment of assessments at closing of the transfer of title to a Lot and impose special requirements for Owners with a history of delinquent payment. If the Board elects, assessments may be paid in two (2) or more installments. Unless the Board otherwise provides, the General Assessment shall be due and payable in advance on the first day of each fiscal year. If any Owner is delinquent in paying any assessments or other charges levied on the Owner's Lot, the Board may require any unpaid installments of all outstanding assessments to be paid in full immediately. Any assessment or installment thereof shall be considered delinquent on the fifteenth (15th) day following the due date unless otherwise specified by Board resolution.

(e) Covenant to Pay. No Owner is exempt from liability for assessments by non-use of Common Area, including Exclusive Common Area reserved for the Owner's use, abandonment or leasing of the Owner's Lot, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Declarant, the Developer, the Association or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action taken by the Declarant, Developer or the Association or Board.

(f) In-Kind Contributions. The Association is specifically authorized to enter into subsidy contracts or contracts for "in kind" contribution of services, materials, or a combination of services and materials with the Declarant, the Developer, or other entities for payment of Common Expenses.

8.2 Computation of Assessments.

(a) Computation of General Assessments.

(i) At least thirty (30) Days before the beginning of each fiscal year, the Board shall prepare a budget covering the estimated Common Expenses during the coming year, which may include a contribution to establish a reserve fund in accordance with a budget separately prepared as provided in Section 8.4. For so long as the Class "B" membership exists, Common Expenses shall not include any expenses incurred for initial development, original construction, installation of infrastructure, original capital improvements, or other original construction costs unless approved by Members holding a Majority of the total Class "A" votes of the Association and the Class "B" Member.

(ii) General Assessments shall be levied equally against all Lots subject to assessment *provided that*, the Owner of two (2) contiguous Lots, as shown on the final subdivision plat recorded in

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the Public Records, on which one home is constructed that crosses the boundary line separating the Lots, shall pay one General Assessment rate equal to one and one-half (1 1/2) times the assessment for one Lot.

(iii) The Board shall have the option to include in the budget for the General Assessment, expenses the Association will incur for maintenance of entry features, or other expenses, which while attributable to particular Neighborhoods, are similar in nature and amount among the Neighborhoods. The base amount common to all Neighborhoods shall be paid as a General Assessment, with expenses in excess of the base amount, if any, to be paid as a Neighborhood Expense and funded through a Neighborhood Assessment.

(iv) The assessment rate shall be set at a level that is reasonably expected to produce total income for the Association equal to the total budgeted Common Expenses, including any reserves. In determining the level of General Assessments, the Board, in its discretion, may consider other sources of funds available to the Association, including any surplus from prior years, any assessment income expected to be generated from any additional Lots reasonably anticipated to become subject to assessment during the fiscal year, and any income expected to be generated from any Cost-Sharing Agreement.

(v) During the Class "B" membership, the Declarant may, but shall not be obligated to, reduce the General Assessment for any fiscal year by payment of a subsidy or contributions of services and materials, which may be treated as either a contribution or an advance against future sums due from the Declarant, or a loan, in the Declarant's discretion. Any anticipated payment or contribution by the Declarant shall be disclosed as a line item in the Common Expense budget. Under no circumstances shall payments by the Declarant in any year obligate the Declarant to continue payments in future years unless otherwise provided in a written agreement between the Association and the Declarant.

(vi) The Board shall send a copy of the budget and notice of the amount of the General Assessment for the following year to each Owner at least thirty (30) Days prior to the beginning of the fiscal year for which it is to be effective. The budget and assessment shall become effective unless disapproved at a meeting by Members holding at least sixty-seven percent (67%) of the total Class "A" votes in the Association and, during the Development Period, by the Declarant. Except on petition of the Members as provided for special meetings in Section 2.4 of the By-Laws (which must be presented to the Board within twenty (20) Days after the date of the notice of assessments), the Board shall have no obligation to call a meeting for the purpose of considering the budget. If a meeting is requested, assessments pursuant to the proposed budget shall not become effective until after the meeting is held, provided that the assessments shall be retroactive to the original effective date of the budget if the budget is not disapproved at the meeting.

(vii) If the proposed budget is disapproved or the Board fails for any reason to determine the budget for any year, then until a budget is determined, the budget in effect for the immediately preceding year shall continue for the current year. Once the updated or revised budget is prepared for the remainder of the fiscal year, the Board shall send a copy of the revised budget to each Owner at least thirty (30) Days prior to its becoming effective. The updated or revised budget shall become effective unless disapproved in accordance with the above procedure.

(b) Computation of Neighborhood Assessments.

(i) At least thirty (30) Days before the beginning of each fiscal year, the Board shall prepare a separate budget covering the estimated Neighborhood Expenses for each Neighborhood on whose behalf Neighborhood Expenses are expected to be incurred during the coming year ("Neighborhood budget(s)"). The Board shall be entitled to establish Neighborhood budgets only to the extent that this Declaration, any Supplemental Declaration, or the By-Laws specifically authorizes the

Board to assess certain costs as a Neighborhood Assessment. Any Neighborhood may request that additional services or a higher level of services be provided by the Association and, upon approval of Owners in accordance with Section 3.3, any additional costs shall be added to the Neighborhood budget. In addition, any excess expenses over and above the base amount for similar Neighborhood expenses paid through the General Assessment shall be added to the Neighborhood budgets. Neighborhood budgets may include a contribution establishing a reserve fund for repair and replacement of capital items maintained as a Neighborhood Expense, if any, within the Neighborhood. Neighborhood Expenses shall be allocated equally among all Lots within the Neighborhood(s) benefitted thereby and levied as a Neighborhood Assessment.

(ii) The Board shall cause a copy of the Neighborhood budget(s) and notice of the amount of the Neighborhood Assessment for the coming year to be delivered to each Owner of a Lot in the Neighborhood at least thirty (30) Days prior to the beginning of the fiscal year. Neighborhood budgets and assessments shall become effective unless disapproved by Owners of a Majority of the Lots in the Neighborhood to which the Neighborhood Assessment applies and, during the Development Period, by the Declarant. Except on petition of the Owners of at least ten percent (10%) of the Lots in a Neighborhood (which must be presented to the Board within twenty (20) Days after the date of the notice of Neighborhood Assessments), the Board shall have no obligation to call a meeting for the purpose of considering the Neighborhood budget. At any special meeting to consider a Neighborhood budget, the Owners of the Lots in the Neighborhoods shall have only the right to disapprove those line items in the Neighborhood budget that are attributable to services requested by the Neighborhood. If a special meeting is requested concerning a Neighborhood budget, assessments pursuant to the proposed Neighborhood budget shall not become effective until after the special meeting is held, provided the Neighborhood Assessments shall be retroactive to the original effective date of the Neighborhood budget if the Neighborhood budget is not disapproved at such meeting.

(iii) If the Owners within any Neighborhood disapprove any line item of a Neighborhood budget, the Association shall not be obligated to provide the services anticipated to be funded by such line item of the budget. If the Board fails for any reason to determine a Neighborhood budget for any year, then until such time as a Neighborhood budget is determined, the budget in effect for the immediately preceding year shall continue for the current year.

(iv) All amounts that the Association collects as Neighborhood Assessments shall be expended solely for the benefit of the Neighborhood for which they were collected and shall be accounted for separately from the Association's general funds.

8.3 Revised Annual Budget. The Board may prepare a revised budget at any time or from time to time, as necessary in the sole and absolute discretion of the Board. The Board shall send a copy of the revised budget to each Owner at least thirty (30) Days prior to its becoming effective. The revised budget shall become effective unless disapproved in accordance with the procedure set forth in Section 8.2.

8.4 Reserve Budget. In its sole discretion, the Board may prepare reserve budgets annually for capital repairs, replacements and improvements, for general purposes, that take into account the number and nature of replaceable assets within the Area of Common Responsibility, the expected life of each asset, and the expected repair or replacement cost. The Board shall include in the general and Neighborhood budgets reserve amounts sufficient to meet the projected needs of the Association.

8.5 Special Assessments. In addition to other authorized assessments, the Association may levy Special Assessments from time to time to cover unbudgeted expenses or expenses in excess of those budgeted. Special Assessments shall be allocated and levied equally among all Lots subject to the Special

Assessment. Any Special Assessment shall become effective unless disapproved at a meeting by Members holding at least sixty-seven percent (67%) of the total Class "A" votes allocated to Lots that will be subject to the Special Assessment and, during the Development Period, by the Declarant. The date that a Special Assessment accrues is that date it becomes effective under this Section. Except on petition of the Members as provided for special meetings in Section 2.4 of the By-Laws (which must be presented to the Board within twenty (20) Days after the date of the notice of the Special Assessment), the Board shall have no obligation to call a meeting for the purpose of considering any Special Assessment. Special Assessments shall be payable in the manner and at the times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

8.6 Specific Assessments.

(a) The Association shall have the power to levy Specific Assessments against a particular Lot or Lots as follows:

(i) to cover the costs, including overhead and administrative costs, of providing benefits, items, or services to the Lot(s) or occupants thereof upon request of the Owners pursuant to a menu of special services which the Board may from time to time authorize to be offered to Owners and occupants (which might include, without limitation, landscape maintenance, garbage collection, pest control service, cable, digital, satellite or similar television service, internet, intranet, and other computer related services, security, caretaker, fire protection, utilities, and similar services and facilities), which assessments may be levied in advance of the provision of the requested benefit, item or service as a deposit against charges to be incurred by the Owner.

(ii) to cover the costs associated with maintenance, repair, replacement and insurance of any Exclusive Common Area assigned to one or more Lots; and

(iii) to cover all costs incurred in bringing a Lot into compliance with the terms of the Governing Documents, or costs incurred as a consequence of the conduct of the Owner or occupant of a Lot, their agents, contractors, employees, licensees, invitees, or guests.

(b) Fines levied by the Association pursuant to Section 5.2 shall constitute Specific Assessments.

(c) The Association may also levy a Specific Assessment against the Lots within any Neighborhood to reimburse the Association for costs incurred in bringing the Neighborhood into compliance with the provisions of the Declaration, any applicable Supplemental Declaration, the Articles, the By-Laws, and rules promulgated thereunder; provided however, the Board shall give prior written notice to the Owners of Lots in the Neighborhood and an opportunity for the Owners to be heard before levying any such assessment.

8.7 Lien for Assessments.

(a) The Association shall have a lien against each Lot to secure payment of assessments and other charges, as well as interest at a rate to be set by the Board (subject to the maximum interest rate limitations of Georgia law), late charges as the Board may establish (subject to the limitations of Georgia law), costs of collection and reasonable attorneys fees. The lien shall be superior to all other liens, except (i) the liens of all taxes, bonds, assessments, and other levies that by law would be superior, and (ii) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value. The lien may be enforced by suit, judgment, and judicial or nonjudicial foreclosure.

(b) The Declarant or the Association may bid for the Lot at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Lot. While a Lot is owned by the Association following foreclosure: (i) no right to vote shall be exercised on behalf of the Lot; (ii) no assessment shall be levied on it; and (iii) each other Lot shall be charged, in addition to the usual assessment for the Lot, a pro rata share of the assessment allocated to the Lot owned by the Association. The Association may sue for unpaid assessments and other charges authorized hereunder without foreclosing or waiving the lien securing the same.

(c) The sale or transfer of any Lot shall not affect the assessment lien or relieve the Lot from the lien for any subsequent assessments. A Mortgagee or other purchaser of a Lot who obtains title pursuant to foreclosure of the Mortgage shall not be liable for assessments on the Lot due prior to the acquisition of title. The unpaid assessments shall remain the personal obligation of the owner of the Lot prior to the foreclosure, and, unless and until collected from the prior owner, shall be deemed to be Common Expenses collectible from Owners of all Lots subject to assessment under Section 8.2, including the acquirer, and the successors and assigns of the acquirer.

(d) All other Persons acquiring liens or encumbrances on any Lot after this Declaration has been recorded shall be deemed to consent that the liens or encumbrances shall be inferior to future liens for assessments, as provided herein, whether or not prior consent is specifically set forth in the instruments creating the liens or encumbrances.

8.8 Date of Commencement of Assessments. The obligation to pay assessments shall commence as to each Lot on the later of (i) the date that the Lot is conveyed to a Person other than a Builder or Declarant, or (ii) the month in which the Board first determines a general budget or Neighborhood budget and levies assessments pursuant to this Article. With respect to any Lot acquired by a Builder from the Declarant, assessments shall commence for the Lot upon the earlier of (a) actual occupancy of the home on the Lot, excluding any period that the home is being used exclusively as a model home; or (b) one (1) year after the date of conveyance of the Lot to the Builder. The first annual General Assessment and Neighborhood Assessment levied on each Lot shall be adjusted according to the number of days remaining in the fiscal year at the time assessments commence on the Lot and shall be due and payable at closing or, with respect to Builders that become subject to assessment, upon demand of the Association.

8.9 Failure to Assess Failure of the Board to establish assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay General Assessments and Neighborhoods Assessments on the same basis as during the last year for which an assessment was made, if any, until a new assessment is levied, at which time the Association may retroactively assess any shortfalls in collections.

8.10 Exempt Property. The following property shall be exempt from payment of General Assessments, Neighborhood Assessments and Special Assessments:

(a) All Common Area and any portions of the property owned by the Declarant as are included in the Area of Common Responsibility pursuant to Section 5.1;

(b) Any property dedicated or otherwise conveyed to and accepted by any governmental authority or public utility;

BLUE VALLEY

(c) Any property that is owned by a charitable nonprofit corporation or public agency with primary purposes that include the acquisition and preservation of open space for public benefit (providing the land is held by the agency or organization for the recreational and open space purposes); and

(d) Property owned by any Neighborhood Association, or by the members of a Neighborhood Association as tenants-in-common, for the common use and enjoyment of all members within the Neighborhood.

8.11 Capitalization of Association.

(a) Upon acquisition of record title to a Lot by the first Owner other than the Declarant or a Builder, or upon the first occupancy of a Lot by a Person other than a Builder or Declarant, and upon each subsequent transfer of title to a Lot for value, a contribution shall be made by or on behalf of the purchaser or occupant to the working capital of the Association. This amount shall be in addition to, not in lieu of, the annual General Assessment and shall not be considered an advance payment of the General Assessment. If a working capital contribution is not paid as required, the amount due shall bear interest and shall be collectible as a Specific Assessment as set forth in Section 8.6. Capital contributions shall be used by the Association at the discretion of the Board in funding capital reserves, and in covering operating expenses and other expenses incurred by the Association pursuant to the Governing Documents.

(b) The Board shall establish the amount of the capital contributions at any time and from time to time in the sole and absolute discretion of the Board. Any change in the amount of the capital contribution shall become effective unless disapproved at a meeting by Members holding at least sixty-seven percent (67%) of the total Class "A" votes and, during the Development Period, by the Declarant. The Board shall have no obligation to call a meeting for the purpose of considering any change in the amount of the capital contribution except on petition of the Members as provided for special meetings in Section 2.4 of the By-Laws. A petition for a special meeting to consider the increase must be presented to the Board within twenty (20) Days after the date of the notice of the change in the amount of the capital contribution.

(c) Working capital contributions shall be collected and disbursed to the Association:

(i) at the closing of the purchase and sale of the Lot to the first Owner, or if the obligation to make the capital contribution arises by virtue of occupancy of a Lot by a Person other than a Builder or Declarant, or by virtue of the passage of one (1) year from the date of the Builder's acquisition of the Lot, immediately upon demand by the Association; and

(ii) upon transfer of record title for monetary consideration after the first Owner thereof, at the closing of the purchase and sale of each Lot, except transfer of title without payment of consideration, such as a deed of gift, settlement of a divorce, division of property between co-tenants, foreclosure or deed-in-lieu of foreclosure, as a consequence of the execution or administration of an estate, or similar circumstances.

(d) The Association may require the purchasing or selling Owner to provide reasonable written proof of the transfer of the Lot (such as executed closing statements, contracts of sale, copies of the recorded deed, or other evidence as deemed reasonable in the Board's discretion).

8.12 Declarant. The provisions set forth herein shall apply to the Declarant.

(a) Contributions and Payments by Declarant.

(i) In accordance with Section 8.2, the Declarant may support the Association by funding operating deficits during the Class "B" membership. At the sole election of Declarant, Declarant may recoup from the Association all payments to fund an operating deficit, which may be paid at any time from the operating account of the Association, or from the working capital contributions collected at the sale of Lots, but not from capital reserves or funds designated for capital reserves. Regardless of whether the Declarant recoups any other deficit amounts, the Declarant has no intention to forfeit refundable reserves or deposits paid by Declarant, or to pay for deficits created by the nonpayment of assessments by other Owners. The intention of Declarant is to pay for expenses that are otherwise covered in the annual budget of the Association, but due to the requirement of an advance payment, create temporary or seasonal deficits. Accordingly, Declarant shall be reimbursed for all amounts paid by Declarant in the funding of deficits caused by the nonpayment of assessments by Owners that, if not sooner paid, shall be paid to Declarant at the time the unpaid assessment is collected. In addition, if not sooner paid, Declarant shall be reimbursed for any refundable deposit upon the Association's receipt of the refund.

(ii) The Declarant shall have the right to pursue the collection of any unpaid assessments on behalf of the Association, as well as the right to act on behalf of the Association (if necessary) in obtaining refunds of all deposits paid for by Declarant. The Board of Directors, specifically including members of the Board appointed by the Declarant, shall be authorized to execute a promissory note or notes on behalf of the Association to evidence the repayment obligation of the Association; *provided however*, the failure to execute a note shall in no way diminish the obligation of the Association.

(iii) During the Class "B" membership, the Declarant may, but shall not be obligated to, reduce the General Assessment for any fiscal year by payment of a subsidy or contributions of services and materials as set forth in Section 8.2.

(iv) As set forth in Section 8.1, the Association is specifically authorized to enter into subsidy contracts or contracts for "in kind" contribution of services, materials, or a combination of services and materials with the Declarant for payment of Common Expenses.

(b) Exemptions from Payment of Assessments. While Declarant is the Class "B" Member, Declarant shall be exempt from payment of General Assessments, Neighborhood Assessments and Special Assessments, and working capitalization contributions on Lots that Declarant owns. Any portions of the Properties owned by the Declarant as are included in the Area of Common Responsibility pursuant to Section 5.1 are also exempt from payment of assessments and working capital contributions.

ARTICLE 9: ARCHITECTURAL STANDARDS9.1 General.

(a) No exterior structure or improvement, as described in Section 9.5, shall be placed, erected, installed or made upon any Lot or any other portion of the Properties except in compliance with this Article, and with the prior written approval of the appropriate reviewing body under Section 9.2, unless exempted from the application and approval requirements pursuant to Section 9.2.

(b) All homes constructed on any portion of the Properties shall be designed by and built in accordance with the plans and specifications of a licensed architect or other qualified building designer, unless otherwise approved by the ARB in its sole discretion.

(c) This Article shall not apply to the activities of the Declarant or the Developer, to the plans of Builders pre-approved by Declarant, Developer or the ARB prior to closing on the Builder's Lot(s) (but not any modifications to pre-approved plans), or to improvements to the Common Area by or on behalf of the Association, or to improvements to any Private Amenity made by or on behalf of the owner of the Private Amenity. This Article may not be amended during the Development Period without the Declarant's written consent.

9.2 Architectural Review.

(a) Each Owner, by accepting a deed or other instrument conveying any interest in any portion of the Properties acknowledges that, as the developer of the Properties, Declarant and Developer have a substantial interest in ensuring that all structures and improvements within the Properties enhance the reputation of Declarant and Developer in the development of planned communities, and that the structures and improvements within the Properties do not impair Declarant's ability to market, sell or lease any portion of the Properties or the Additional Property. Therefore, the Declarant (or Developer on Declarant's behalf) may establish an ARB to be responsible for administration of the Design Guidelines and review of all applications for construction and modifications under this Article. In addition, the Board may establish the MC as set forth below. The ARB and the MC are sometimes referred to herein collectively as the "reviewing bodies". The reviewing bodies shall consist of one or more Persons who may, but are not required to, be Members of the Association or representatives of Members, and may, but need not, include architects, landscape architects, engineers or similar professionals, whose compensation, if any, shall be established from time to time by the ARB. The reviewing bodies may establish and charge reasonable fees for review of applications hereunder and may require the fees to be paid in full prior to review of any application. The fees may include the reasonable costs incurred in having any application reviewed by architects, engineers or other professionals. In addition, the reviewing bodies may require deposits while construction is pending on any Lot to ensure completion without damage to the Properties.

(b) Architectural Review Board. The ARB shall have exclusive jurisdiction over all construction on any portion of the Properties. Until one hundred percent (100%) of the Properties have been developed and conveyed to Owners other than Builders and the Declarant, and initial construction on each Lot has been completed in accordance with the Design Guidelines, the Declarant (or Developer on behalf of Declarant) retains the right to appoint all members of the ARB who shall serve at the discretion of Declarant. The Declarant shall have no obligation to surrender of this right prior to that time except in a written instrument in recordable form executed by Declarant. Upon the expiration or surrender of the right, the Board shall appoint the members of the ARB, who shall thereafter serve and may be removed in the Board's discretion.

(c) Modifications Committee. The Board of Directors may establish a Modifications Committee ("MC"), the members of which shall be appointed by and shall serve at the discretion of the Board. If established, the MC shall have jurisdiction over modifications, additions, or alterations of Lots, including existing structures and landscaping, after completion of initial construction on the Lot. The ARB shall have the right to veto any action taken by the MC that the ARB determines, in its sole discretion, to be inconsistent with the guidelines promulgated by the ARB. Upon expiration of the Declarant's right to appoint the members of the ARB, the MC may be eliminated and its duties assumed by the ARB.

9.3 Guidelines and Procedures.

(a) Design Guidelines.

(i) The Declarant (or Developer on behalf of Declarant) shall prepare the initial Design Guidelines for the Properties. The Design Guidelines may contain general provisions applicable to all of the Properties, as well as specific provisions that vary according to land use and from one portion of the Properties to another depending upon the location, unique characteristics, and intended use. For example, by way of illustration but not limitation, the Design Guidelines may impose stricter requirements on those portions of the Properties adjacent to or visible from any lake, pond, river, stream or other body of water. The Design Guidelines are intended to provide guidance to Owners and Builders regarding matters of particular concern to the reviewing bodies in considering applications hereunder. The Design Guidelines are not the exclusive basis for decisions of the reviewing bodies and compliance with the Design Guidelines does not guarantee approval of any application.

(ii) The ARB shall adopt the Design Guidelines at its initial organizational meeting and thereafter shall have sole and full authority to amend them. Any amendments to the Design Guidelines shall be prospective only. No limitation shall be imposed on the scope of amendments to the Design Guidelines except that no amendment shall require the modification or removal of any structure previously approved once the approved construction or modification has commenced. The ARB is expressly authorized to amend the Design Guidelines to remove requirements previously imposed or otherwise to make the Design Guidelines less restrictive.

(iii) The ARB shall make the Design Guidelines available to Owners and Builders who seek to engage in development or construction within the Properties.

(iv) The MC may promulgate detailed procedures and standards governing the area of responsibility of the MC, consistent with those set forth in the Design Guidelines and subject to review and approval by the ARB. Any architectural guidelines and standards adopted by the MC may be more restrictive than the Design Guidelines, but under no circumstances shall be inconsistent with the Design Guidelines.

(b) Procedures.

(i) Plans and specifications showing the nature, kind, shape, color, size, materials, and location of all proposed structures and improvements shall be submitted to the appropriate reviewing body for review and approval. In addition, information concerning septic tank drainage fields and placement, irrigation systems, drainage, lighting, grading, landscaping and other features of proposed construction shall be submitted as applicable and as required by the Design Guidelines. In reviewing each submission, the reviewing bodies may consider the quality of workmanship and design, harmony of external design with existing structures, and location in relation to surrounding structures, topography, and finish grade elevation, among other considerations.

(ii) Each application to the ARB shall be deemed to contain a representation and warranty by the Owner that use of the plans submitted does not violate any copyright associated with the plans. Neither the submission of the plans to the ARB, nor the distribution and review of the plans by the ARB shall be construed as publication in violation of any designer's copyright. Each Owner submitting plans to the ARB shall hold the members of the ARB, the Association, the Declarant and the Developer harmless and shall indemnify the ARB, the Association, the Declarant and the Developer against any and all damages, liabilities, and expenses incurred in connection with the review process of this Declaration.

(iii) In reviewing and acting upon any request for approval, the ARB shall be acting solely in the interest of Declarant and Developer, and shall owe no duty to any other Persons. Decisions may be based solely on aesthetic considerations. Each Owner acknowledges that opinions on aesthetic matters are subjective and may vary over time. The ARB shall have the sole discretion to make final, conclusive, and binding determinations on matters of aesthetic judgment and whether proposed improvements are consistent with Design Guidelines.

(iv) In the event that the ARB or MC fails to approve or to disapprove any application within thirty (30) Days after submission of all information and materials reasonably requested, the application shall be deemed approved. No approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Design Guidelines unless a variance has been granted in writing by the ARB pursuant to Section 9.8.

(v) The ARB by resolution may exempt certain activities from the application and approval requirements of this Article, provided the activities are undertaken in strict compliance with the requirements of the resolution. Any Owner may remodel, paint or redecorate the interior of structures on the Owner's Lot without approval. Modifications to the interior of screened porches, patios, windows, and similar portions of a Lot visible from outside the structures on the Lot shall be subject to approval.

(vi) Builders shall have the option to submit to the ARB for pre-approval standard floor plans and typical elevations for the residential product Builder intends to construct upon the Lots. Builders shall not be required to resubmit pre-approved plans for each Lot prior to construction so long as the construction of a residential product set forth in the plans on a Lot does not substantially deviate from the pre-approved plans. For all pre-approved plans, Builder shall submit for each Lot containing a detached home, and each building containing two (2) or more townhomes, prior to obtaining a building permit, a plot plan identifying the pre-approved elevations and floor plans, and showing the proposed location of each home, sitting of the home with respect to Lot boundaries, and locations of the driveways and parking pads.

(c) Architect and Builder Approval. In order to ensure that appropriate standards of construction are maintained throughout the Properties, the Declarant (or the Developer on Declarant's behalf) may establish a program whereby all architects and Builders must be approved by the Declarant prior to engaging in any construction activities within the Properties. For purposes of this paragraph, the term "Builder" shall include a general contractor constructing or re-modeling a home on a Lot. The program may be implemented by the Declarant, the Developer, or by the ARB on behalf of Declarant and Developer. If established, the program will consist of an approval process using established criteria and requiring the submission of a written application for approval. The criteria and application process shall be determined in the sole discretion of Declarant, Developer and the ARB, and shall be subject to change. Approval of any plans may be withheld until such time as the Owner's architect or Builder has been approved under the program. Approval of an architect or Builder may be conditioned upon an agreement to maintain certain insurance coverages required under the program, to pay construction deposits to ensure completion of improvements to a Lot without damage to the Properties, and to pay fees as may be determined by the Declarant, Developer or the ARB to manage the program. Approval of architects and Builders may not be construed as a recommendation of a specific architect or Builder by the ARB, the Developer or the Declarant, or as a guarantee or endorsement of the work of the architect or Builder. The criteria and requirements established for approval of architects and builders are solely for the protection and benefit of Declarant and Developer, and are not intended to provide the Owner with any form of guarantee with respect to any approved architect or Builder. Owner's selection of an architect or Builder shall be conclusive evidence that the Owner is independently satisfied with any and all concerns Owner may have about the qualifications of the architect or Builder, and Owner waives any and all claims and

rights against the ARB, Developer and the Declarant that Owner has or may have now or in the future under this paragraph.

9.4 Delinquent Assessments and Other Charges.

(a) Any application for the approval of plans and specifications as set forth in this Article shall be deemed to be disapproved unless and until any and all delinquent assessments and other charges permitted by this Declaration have been paid current by the Owner submitting plans and specifications for approval.

(b) Subsequent to the approval of plans and specifications pursuant to this Article, if the Owner shall become delinquent in the payment of assessments or other charges permitted by this Declaration at any time during the prosecution of the approved work, the Owner shall be deemed to be in violation of the approval and shall be subject to any means of enforcement set forth in Section 9.10 and Section 4.3.

9.5 Specific Guidelines and Restrictions.

(a) Exterior Structures and Improvements. Exterior structures and improvements shall include, but shall not be limited to, staking, clearing, excavation, grading and other site work; initial construction of any home or accessory building; exterior alteration of existing improvements; installation or replacement of hardscape, such as driveways, walkways, or parking areas; mailboxes; basketball hoops; swing sets and similar sports and play equipment; clotheslines; garbage cans; wood piles; swimming pools; docks, piers, or boathouses; gazebos or playhouses; window air-conditioning units or fans; hot tubs; wells; solar panels; hedges, walls, dog runs, animal pens, or fences of any kind, including invisible fences; artificial vegetation or sculpture; and planting or removal of landscaping materials.

(b) Specific Guidelines. In addition to the foregoing activities requiring prior approval, the following items are strictly regulated, and the reviewing body shall have the right, in its sole discretion, to prohibit or restrict these items within the Properties. Each Owner must strictly comply with the terms of this Section unless approval or waiver in writing is obtained from the appropriate reviewing body. The ARB may, but is not required to, adopt additional specific guidelines as part of the Design Guidelines.

(i) Signs. No sign of any kind shall be erected by an Owner or occupant without the prior written consent of the appropriate reviewing body, except (A) signs as required by legal proceedings; and (B) not more than one professional security sign of a size deemed reasonable by the ARB in its sole discretion. Unless in compliance with this Section, no signs shall be posted or erected by any Owner or occupant within any portion of the Properties, including the Common Area, any Lot, any structure or home located on the Common Area or any Lot (if the sign would be visible from the exterior of the structure or home as determined in the reviewing body's sole discretion). The Declarant, the Developer and the ARB reserve the right to adopt additional restrictions with respect to the size, content, coloring, lettering, design and placement of any approved signs. All signs must be professionally prepared. This provision shall not apply to entry, directional, or other signs installed by the Declarant, the Developer or a duly authorized agent of the Declarant or Developer as may be necessary or convenient for the marketing and development of the Properties.

(ii) Tree Removal. No trees that are more than six (6) inches in diameter at a point two (2) feet above the ground shall be removed without the prior written consent of the appropriate reviewing body; provided however, any trees, regardless of their diameter, that are located within ten (10) feet of a drainage area, a septic field, a sidewalk, a residence, or a driveway, or any diseased or dead trees needing to be removed to promote the growth of other trees or for safety reasons may be removed without

the written consent of the appropriate reviewing body. The appropriate reviewing body may adopt or impose requirements for, or condition approval of, tree removal upon the replacement of any tree removed.

(iii) Lighting. Exterior lighting visible from the street shall not be permitted except for: (A) approved lighting as originally installed on a Lot; (B) one approved decorative post light; (C) pathway lighting; (D) street lights in conformity with an established street lighting program for the Properties; (E) seasonal decorative lights during the usual and common season; (F) front house illumination of model homes; or (G) any additional lighting as may be approved by the appropriate reviewing body. All lights shall be installed or aimed so that they do not present a disabling glare to drivers or pedestrians or create a nuisance by projecting or reflecting objectionable light onto a neighboring property.

(iv) Temporary or Detached Structures. Except as may be permitted by the ARB during initial construction, or the MC thereafter, no temporary house, home, garage or outbuilding shall be placed or erected on any Lot. Except as provided in Section 10.7, no mobile home, trailer home, travel trailer, camper or recreational vehicle shall be stored, parked or otherwise allowed to be placed on a Lot as a temporary or permanent home.

(v) Accessory Structures. With the approval of the ARB, detached accessory structures may be placed on a Lot to be used for a playhouse, tool shed, doghouse, garage or other approved use. A garage may also be an attached accessory structure. The accessory structures shall conform in exterior design and quality to the home on the Lot. With the exception of a garage that is attached to a home and except as may be provided otherwise by the ARB, an accessory structure placed on a Lot shall be located only behind the home as the home fronts on the street abutting the Lot or in a location approved by the ARB. All accessory structures shall be located within the more restrictive of side and rear setback lines as may be required by the ARB or by applicable zoning law.

(vi) Antennas and Satellite Dishes. No transmission antenna, except for customer-end antennas that receive and transmit fixed wireless signals, may be erected anywhere on the Properties without written approval of the ARB. No direct broadcast satellite ("DBS") antenna or multi-channel multi-point distribution service ("MMDS") larger than one meter (39.37") in diameter shall be placed, allowed, or maintained upon any portion of the Properties, including but limited to any Lot. DBS and MMDS antennas one meter or less in diameter and television broadcast service antennas may be installed only in accordance with Federal Communication Commission ("FCC") rules and any requirements of the ARB and the Association that are consistent with the rules of the FCC, as they may be amended from time to time. These items shall be installed in the least conspicuous location available on the Lot that permits reception of an acceptable signal. Except as otherwise provided by this subsection, no antenna or other device for the transmission or reception of television signals, radio signals or any form of electromagnetic wave or radiation shall be erected, used or maintained outdoors on any portion of the Properties, whether attached to a structure or otherwise; provided, however, that the Association shall have the right to erect, construct and maintain these devices.

(vii) Utility Lines. Overhead utility lines, including lines for cable television, are not permitted except for temporary lines as required during construction and lines installed by or at the request of Declarant or Developer.

(viii) Standard Mailboxes. All homes within the Properties shall have standard mailboxes conforming to postal regulations and the guidelines for the mailboxes adopted by the ARB. The ARB may adopt different standard mailboxes for each Neighborhood. Declarant shall have the option of requiring installation of a standard mailbox by or through Developer during initial construction

of a home. Application shall be made to the ARB prior to installation or replacement of a mailbox. By accepting a deed to a Lot, each Owner agrees that the ARB may replace a non-approved mailbox with all costs for replacement assessed to the Owner of the Lot and collected as a Specific Assessment pursuant to Section 8.6.

(ix) Minimum Home Size. The Design Guidelines may establish a minimum square footage of enclosed, heated and cooled living space for homes. Upon written request of an Owner, the ARB may waive the minimum square footage requirement if, in the ARB's sole discretion, the resulting appearance of the home will preserve and conform to the overall appearance, scheme, design, value and quality within the Properties.

9.6 Construction Period. After commencement of construction, each Owner shall diligently continue construction and complete construction in a timely manner. The initial construction of all structures must be completed within one (1) year, unless extended by the ARB in its sole discretion. All other construction shall be completed within the time limits established by the appropriate reviewing body at the time the project is approved by the reviewing body. For the purposes of this Section, commencement of construction shall mean that (a) all plans for construction have been approved by the ARB; (b) a building permit has been issued for the Lot by the appropriate jurisdiction; and (c) construction of a structure has physically commenced beyond site preparation. Completion of a structure shall mean that a certificate of occupancy has been issued for a home on the Lot by the appropriate jurisdiction.

9.7 No Waiver of Future Approvals. Approval of proposals, plans and specifications, or drawings for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar proposals, plans and specifications, drawings, or other matters subsequently or additionally submitted for approval.

9.8 Variance. The ARB may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with rules and regulations adopted by the ARB. The variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing; (b) be contrary to this Declaration; or (c) prevent the ARB from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be automatically considered a hardship warranting a variance.

9.9 Limitation of Liability. The standards and procedures established pursuant to this Article are intended to provide a mechanism for maintaining and enhancing the overall aesthetics of the Properties only, and shall not create any duty to any Person. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only, and neither the Declarant, the Developer, the Association, the Board, the ARB nor the MC shall bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, the adequacy of soils or drainage, or for ensuring compliance with building codes and other governmental requirements, or for ensuring that all homes are of comparable quality, value or size, of similar design, or aesthetically pleasing or otherwise acceptable to neighboring property owners. Neither the Declarant, the Developer, the Association, the Board, the ARB, MC, any committee, nor a member of any of the foregoing shall be held liable for any injury, damages, or loss arising out of the manner or quality of approved construction or modifications to any Lot. In all matters, the committees and their members shall be defended and indemnified by the Association as provided in Section 4.5.

9.10 Enforcement.

(a) Pursuant to Section 11.8, the Declarant, the Developer, any member of the ARB, the MC or the Board, or the representatives of each shall have the right, during reasonable hours and after reasonable notice, to enter upon any Lot to inspect for the purpose of ascertaining whether any structure or improvement is in violation of this Article. Any structure, improvement or landscaping placed or made in violation of this Article shall be deemed nonconforming. Upon written notice from the ARB or MC, Owners shall, at their own cost and expense, cure any violation or nonconformance or remove the structure or improvement and restore the property to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to cure or remove and restore the property as required, any authorized agent of Declarant, the Developer, the ARB, MC or the Board shall have the right to enter the property, cure or remove the violation, and restore the property to substantially the same condition as previously existed. Entry for these purposes and in compliance with this Section shall not constitute a trespass. In addition, the Board may enforce the decisions of the Declarant, the Developer, the ARB and the MC by any means of enforcement described in Section 4.3. All costs, together with the interest at the maximum rate then allowed by law, may be assessed against the benefitted Lot and collected as a Specific Assessment pursuant to Section 8.6. In addition to the foregoing, the Association shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decisions of the ARB and MC.

(b) Unless otherwise specified in writing by the reviewing body granting approval, all approvals granted hereunder shall be deemed conditioned upon completion of all elements of the approved work and all work previously approved with respect to the same Lot, unless approval to modify any application has been obtained. If, after commencement, any Person fails to diligently pursue to completion all approved work, the Association shall be authorized, after notice to the Owner of the Lot and an opportunity to be heard in accordance with the By-Laws, to enter upon the Lot and remove or complete any incomplete work and to assess all costs incurred against the Lot and the Owner thereof as a Specific Assessment pursuant to Section 8.6.

(c) Neither the ARB, MC, any member of the foregoing, the Association, the Declarant, the Developer, nor their members, officers or directors shall be held liable to any Person for exercising the rights granted by this Article. Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Article or the Design Guidelines may be excluded by the ARB from the Properties, subject to the notice and hearing procedures contained in the By-Laws.

ARTICLE 10: USE RESTRICTIONS

10.1 General. This Article sets out certain use restrictions that must be complied with by all Owners and occupants of any Lot. The Properties shall be used only for residential, recreational, and related purposes (which may include, without limitation, model homes, sales offices for Declarant or Builders, an information center or a sales office for any real estate broker retained by the Declarant to assist in the sale of property described on Exhibits A or B, offices for any property manager retained by the Association, business offices for the Declarant, the Developer or the Association and related parking facilities) consistent with this Declaration and any Supplemental Declaration.

10.2 Rules and Regulations. In addition to the use restrictions set forth in this Article, the Board may, from time to time, without consent of the Members, promulgate, modify, or delete rules and regulations applicable to the Properties. The rules shall be distributed to all Owners and occupants prior to the date that they are to become effective and shall thereafter be binding upon all Owners and occupants until and unless overruled, canceled, or modified in a regular or special meeting by Members

holding a Majority of the total Class "A" votes in the Association, and, during the Development Period, the written consent of the Declarant.

10.3 Occupants Bound. All provisions of the Declaration, By-Laws, and of any rules and regulations, use restrictions or Design Guidelines governing the conduct of Owners and establishing sanctions against Owners shall also apply to all occupants even though occupants are not specifically mentioned.

10.4 Leasing. Lots may be leased for residential purposes only. All leases shall require, without limitation, that the tenant acknowledge receipt of a copy of the Governing Documents. The lease shall also obligate the tenant to comply with the foregoing. The Board may require notice of any lease together with any additional information deemed necessary by the Board. The Board may impose reasonable restrictions on minimum length of lease terms.

10.5 Residential Use.

(a) Lots may be used only for residential purposes of a single family and for ancillary business or home office uses. A business or home office use shall be considered ancillary so long as: (i) the existence or operation of the activity is not apparent or detectable by sight, sound, or smell from outside the Lot; (ii) the activity conforms to all zoning requirements for the Properties; (iii) the activity does not involve regular visitation of the Lot by clients, customers, employees, suppliers, or other invitees or door-to-door solicitation of residents of the Properties; (iv) the activity does not increase traffic or include frequent deliveries within the Properties; and (v) the activity is consistent with the residential character of the Properties and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Properties, as may be determined in the sole discretion of the Board.

(b) No other business, trade, or similar activity shall be conducted upon a Lot without the prior written consent of the Board. The terms "business" and "trade," as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) the activity is engaged in full or part-time, (ii) the activity is intended to or does generate a profit, or (iii) a license is required.

(c) The leasing of a Lot shall not be considered a business or trade within the meaning of this Section. This Section shall not apply to any activity conducted by the Declarant, the Developer or a Builder approved by the Declarant with respect to development and sale of the Properties or use by Declarant, Developer or approved Builder of any Lots owned by the foregoing within the Properties.

(d) No garage sale, moving sale, rummage sale, auction or similar activity shall be conducted upon a Lot without the prior written consent of the Board and compliance with any rules adopted by the Board.

10.6 Occupancy of Unfinished Homes. No home erected upon any Lot shall be occupied in any manner before commencement of construction or while in the course of construction, or at any time prior to the issuance of a certificate of occupancy.

10.7 Vehicles and Parking.

(a) No motorized vehicles shall be permitted on pathways, sidewalks, or unpaved Common Area except for public safety vehicles authorized by the Board. If unlicensed or in a condition such that it is incapable of being operated upon the public highways, no vehicle may be left upon any portion of the Properties, except in a garage. As used herein, "visibility" of a vehicle shall be determined by the ARB in its sole discretion. All vehicles shall be subject to reasonable rules and regulations as the Board of Directors may adopt. Any vehicle parked in violation of this Section or parking rules promulgated by the Board may be towed in accordance with the Governing Documents.

(b) The vehicles (including licensed non-commercial automobiles, trucks and vans) of Owners and occupants and their guests and invitees shall be parked only in the garages or in the driveways, if any, serving the Lots unless otherwise approved by the ARB; *provided however*, the Declarant or the Association may designate certain on-street parking areas for visitors or guests subject to reasonable rules. Commercial, service or delivery vehicles owned or used by the occupants of a home must be parked in garages or other hard-surfaced areas that are not visible from the street. An unlicensed or inoperable vehicle shall be considered a nuisance and may be removed from the Properties.

(c) Recreational vehicles shall be parked only in the garages, if any, serving the Lots or, with the prior written approval of the ARB, other hard-surfaced areas that are not visible from the street. The term "recreational vehicles," as used herein, shall include, without limitation, motor homes, mobile homes, horse trailers, boats, "jet skis" or other watercraft, trailers, other towed vehicles, motorcycles, mini-bikes, scooters, go-carts, golf carts, campers, buses, commercial trucks and commercial vans. Any recreational vehicle parked or stored in violation of this provision shall be considered a nuisance and may be removed from the Properties. The Declarant or the Association may designate certain parking areas within the Properties for recreational vehicles subject to reasonable rules and fees. Trucks with mounted campers that are an Owner's or occupant's primary means of transportation shall not be considered recreational vehicles, provided they are used on a regular basis for transportation and the camper is not visible from the street.

(d) Commercial, service and delivery vehicles (other than those owned or used by occupants of a home) may be parked in the Properties during daylight hours for periods of time as are reasonably necessary to provide service or to make a delivery within the Properties.

10.8 Private Streets and Trail System. The Private Streets and the Trail System shall be subject to the provisions of this Declaration regarding use of Common Area. Additionally, Owners of Lots and other permitted users of the Private Streets and the Trail System pursuant to Sections 2.2 and 2.7 shall be obligated to refrain from any actions that would deter from or interfere with the use and enjoyment of the Private Streets and Trail System by other authorized users of the Private Streets and Trail System. Prohibited activities shall include without limitation obstruction of any of the Private Streets or the Trail System.

10.9 Use of Common Area. Obstruction of the Common Area is prohibited. Nothing shall be kept, parked or stored on any part of the Common Area without the prior written consent of the Association. With the prior written approval of the Board of Directors, and subject to any restrictions imposed by the Board, an Owner or Owners may reserve portions of the Common Area for use for a period of time as set by the Board. Any Owner reserving a portion of the Common Area as provided herein shall assume, on behalf of the Owner and the Owner's guests, occupants and family, all risks associated with the use of the Common Area and all liability for any damage or injury to any person or thing as a result of the use. The Association shall not be liable for any damage or injury resulting from

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the use unless the damage or injury is caused solely by the willful acts or gross negligence of the Association, its agents or employees.

10.10 Animals and Pets. No animals, livestock, or poultry of any kind may be raised, bred, kept, or permitted on any Lot, with the exception of dogs, cats, or other usual and common household pets in reasonable number, as determined by the Board. No animals shall be kept, bred or maintained for commercial purposes without prior written Board approval. All permitted pets shall be reasonably controlled by the owner whenever outside a home and shall be allowed to become a nuisance by barking or other acts. The owner of the pet shall be responsible for all of the pet's actions. If, in the sole opinion of the Board, any animal becomes dangerous, or an annoyance or nuisance in the Properties or to nearby property, or destructive of wildlife, the animal shall be removed from the Properties. By way of explanation and not limitation, this Section may be enforced by exercising self-help rights provided in Section 4.3. This provision shall not be construed to interfere with any provision under the Americans with Disabilities Act or any similar applicable federal, state or local law, ordinance or regulation. Service animals in active use shall be permitted on the Properties.

10.11 Nuisance.

(a) Each Owner and occupant shall have the responsibility to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on the Owner's property. No property within the Properties shall be used, in whole or in part, for the storage of any property or thing that will cause the Lot to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; and no substance, thing, or material shall be kept that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might, in the sole discretion of the Board, disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property.

(b) No noxious or offensive activity shall be conducted within the Properties, nor shall anything be done tending to cause embarrassment, discomfort, annoyance, or nuisance to any Person using any property within the Properties. No plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Properties shall be maintained on the Properties. Without limiting the generality of the foregoing, no speaker, horn, whistle, siren, bell, amplifier or other sound device, except any devices as may be used exclusively for security purposes or as approved by the ARB, shall be located, installed or maintained upon the exterior of any Lot unless required by law. Any siren or device for security purposes shall contain a device or system that causes it to shut off automatically.

(c) The reasonable and normal development, construction and sales activities conducted or permitted by the Declarant or Developer shall not be considered a nuisance or a disturbance of the quiet enjoyment of any Owner or occupant.

10.12 Storage of Materials, Garbage, and Dumping.

(a) All garbage cans shall be located or screened so as to be concealed from view of neighboring streets and property. All rubbish, trash, and garbage shall be regularly removed and shall not be allowed to accumulate. Dumping of grass clippings, leaves or other debris; rubbish, trash or garbage; petroleum products, fertilizers, or other potentially hazardous or toxic substances in any drainage ditch or stream within the Properties or on any Common Area is prohibited, except that fertilizers may be applied to landscaping on Lots provided care is taken to minimize runoff.

(b) Each Owner shall maintain the Owner's Lot in a neat and orderly condition throughout initial construction of a home, and shall not allow trash or debris from the activities of or on behalf of the

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Owner to be carried by the wind or otherwise scattered within the Properties. Storage of construction materials on the Lot shall be subject to conditions, rules, and regulations as may be set forth in the Design Guidelines. Each Owner shall keep roadways, easements, swales, and other portions of the Properties clear of silt, construction materials and trash from the Owner's activities at all times. Trash and debris during initial construction of a home shall be contained in standard size dumpsters or other appropriate receptacles and removed regularly from Lots and shall not be buried or covered on the Lot. Prior to any weekend, any Lot for which construction is in progress shall be inspected by Owner for Compliance with this Section, and during the weekend all materials shall be neatly stacked or placed and any trash or waste materials shall be removed. In addition, Owners shall remove trash and debris from the Lot upon reasonable notice by Declarant in preparation for special events.

10.13 Combustible Liquid. Storage of gasoline, kerosene, propane, heating or other fuels is not allowed on the Properties, except for a reasonable amount of fuel that may be stored on each Lot in approved containers for emergency purposes and operation of lawn mowers, grills, and similar tools or equipment, and except as may be approved in writing by the ARB. The Association shall be permitted to store fuel for operation of maintenance vehicles, generators and similar equipment.

10.14 Guns. The discharge of firearms on the Properties is prohibited. The term "firearms" includes without limitation "B-B" guns, pellet guns, and firearms of all types. The Board may impose fines and exercise other enforcement remedies as set forth in this Declaration, but shall have no obligation to exercise self-help to prevent or stop any discharge.

10.15 Subdivision of Lot. No Lot shall be subdivided or its boundary lines changed after a subdivision plat including the Lot has been approved and filed in the Public Records without the Declarant's prior written consent during the Development Period, and the prior written consent of the ARB thereafter. In addition, no home shall be subdivided or partitioned to create housing for more than a single family. Declarant, however, hereby expressly reserves the right to re-plot any Lot or Lots that it owns. Any division, boundary line change, or re-platting shall not be in violation of the applicable subdivision and zoning regulations, if any.

10.16 Sight Distance at Intersections. All property located at street intersections or driveways shall be landscaped, improved and maintained so as to permit safe sight across the areas. No fence, wall, hedge or shrub shall be placed or permitted to remain where it would cause a traffic or sight problem.

10.17 Drainage and Grading: Detention Facilities.

(a) Catch basins, drainage areas and detention facilities are for the purpose of natural flow of water only. No improvements, obstructions or debris shall be placed in these areas. No Owner or occupant may obstruct or re-channel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains.

(b) Each Owner shall be responsible for maintaining all drainage areas located on the Owner's Lot. Required maintenance shall include, but not be limited to, maintaining ground cover in drainage areas and removing any accumulated debris from catch basins and drainage areas.

(c) Each Owner shall be responsible for controlling the natural and man-made water flow from the Owner's Lot. No Owner shall be entitled to overburden the drainage areas or drainage system within any portion of the Properties with excessive water flow from the Owner's Lot. Owners shall be responsible for all remedial acts necessary to cure any unreasonable drainage flows from Lots. Neither the Association, the Developer nor the Declarant bears any responsibility for remedial actions to any Lot.

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(d) Use of any areas designated as "drainage easement areas" or "detention ponds" on any recorded subdivision plat of the Properties, shall be subject to strict prohibitions against encroachment of structures into, over or across these areas, and the right of the Declarant, Developer or the Association to enter upon and maintain these areas. Maintenance activities may include disturbance of landscaping on a Lot pursuant to the terms contained in this Declaration or any other declaration of easements to which the Properties are subject.

(e) No Person shall alter the grading of any Lot without prior approval pursuant to Article 9 of this Declaration. The Declarant hereby reserves for itself and the Association a perpetual easement across the Properties for the purpose of altering drainage and water flow. The exercise of an easement shall not materially diminish the value of or unreasonably interfere with the use of any Lot without the Owner's consent.

(f) All Persons shall comply with any and all applicable state or county ground disturbance laws, including, but not limited to Chapter 9 of Title 25 of the Official Code of Georgia Annotated specifically O.C.G.A. §25-9-6 also referred to as the Call-Before-You-Dig law.

10.18 Irrigation. Owners shall not install irrigation systems that draw upon ground or surface waters nor from any other body of water within the Properties. The Declarant, the Developer and the Association shall have the right to draw water from these sources for the purpose of irrigating the Area of Common Responsibility.

10.19 Streams. No streams that run across any Lot may be dammed, or the water therefrom impounded, diverted, or used for any purpose without the prior written consent of the Board, except that the Declarant and Developer shall have such rights as provided in Article 11.

10.20 Wetlands and USACE Declaration. All areas designated on a recorded plat as "wetlands" shall be generally left in a natural state, and any proposed alteration of the wetlands must be in accordance with any restrictions or covenants recorded against the property and be approved by all appropriate regulatory bodies under the USACE Declaration or any similar declaration encumbering the Properties. Prior to any alteration of a Lot, the Owner shall determine if any portion thereof meets the requirements for designation as a regulatory wetland, or encroaches upon areas restricted under the USACE Declaration. The Declarant, the Developer, the Association, and the successors, assigns, affiliates and designees of each may conduct activities as have been or may be permitted by the U.S. Army Corps of Engineers or any successor thereof responsible for the regulation of wetlands. The USACE Declaration shall supersede this Declaration, and in the event of a conflict between the USACE Declaration and this Declaration, the USACE Declaration shall control.

10.21 Lakes, Ponds and Other Water Bodies. Lakes within the Properties shall be used only in accordance with the USACE Declaration and the rules and regulations adopted by the Board. Fishing and certain non-gasoline powered water vehicles shall be permitted within the lakes, subject to the rules and regulations adopted by the Board and proper licensing permits as may be required by any governmental entity. Swimming or other active uses of the lake shall be strictly governed by the rules and regulations adopted by the Board and may be prohibited altogether in the discretion of the Declarant and the Association. No docks or piers shall be permitted on any Lots within the Properties. Except as designated by the Declarant, no trails or pathways shall be established along the perimeter of any lake or pond. No Person may use the lake in any fashion for irrigation of a Lot. The Association, the Declarant and the Developer shall bear no responsibility for any loss, damage, or injury to any person or property arising out of the use of lakes, ponds, or other bodies of water within the Properties (whether use is authorized or unauthorized).

10.22 Buffer Zones and Non-Disturbance Areas. All portions of the Properties (including Lots) designated as "buffer zones" or non-disturbance areas on any recorded plat of the Properties shall generally be left in a natural state. Any proposed alteration of a buffer zone or non-disturbance area (including removal of fallen limbs, dead trees, or other natural debris) shall comply with local zoning and planning ordinances and requirements and the Design Guidelines.

10.23 Erosion Control Requirements.

(a) All Persons shall comply with any and all applicable erosion control ordinances and regulations in construction of improvements on any Lot and in conducting any activity within non-disturbance buffer zones. If Declarant prepares an Erosion, Sedimentation and Pollutant Control Plan ("Plan") for the Properties or any portion thereof, upon approval of the Plan by the Georgia Environmental Protection Division ("EPD") and the granting to Declarant of a construction stormwater discharge coverage under an NPDES General Permit (the "General Permit"), each Builder will be an "operator" of a "facility" or "activity" upon the Builder's Lot(s) subject to the regulation under the General Permit.

(b) Prior to commencing any land disturbing activities upon Builder's Lot(s), each Builder shall execute and submit to EPD a notice of intent (NOI) with respect to Builder's Lot(s), together with any fees levied by the EPD associated therewith, for coverage as a secondary permittee under the General Permit. If Declarant submits to EPD a Notice of Termination in accordance with the General Permit prior to completion of construction activities at any of Builder's Lot(s), Builder shall execute and submit to EPD a NOI with respect to Builder's Lot(s), together with any fees levied by the EPD associated therewith, as a tertiary permittee for coverage under the General Permit. Execution of a NOI with respect to Builder's Lot(s) evidences Builder(s) legal obligation to comply. Builders shall at all times operate in full compliance with the terms of the Plan and the General Permit, as well as all other stormwater pollution and erosion and sedimentation control requirements imposed by this Declaration, by Declarant or Developer in contractual agreements with Builder, or by any applicable federal, state or local laws ("Erosion Control Requirements") as applicable to the Lots. A Builder's coverage as a Secondary Permittee or Tertiary Permittee (as applicable) under the General Permit will not be terminated or impaired or become terminable at any time while a Builder is undertaking land disturbance or construction activities on any Lot within the Properties.

(c) Each Builder shall be responsible for the Builder's costs for compliance with the General Permit, the Plan, and Erosion Control Requirements, and shall indemnify, protect and hold Declarant, Developer and the Association harmless from all damages, losses, liabilities, expenses, and costs, including, but not limited to, fees, costs of investigation and remediation, attorneys' fees, third party claims, and governmental fines arising out of or related to any activity by Builder or Builder's officers, directors, employees, subcontractors, agents, or assigns that results in an issuing authority citing Declarant, the Developer, the Association or Builder for noncompliance with the General Permit, the Plan, or any Erosion Control Requirements, or to an enforcement action or investigation by a governmental authority or a claim by a third party with respect to stormwater discharges from any of Builder's Lot(s).

ARTICLE 11: EASEMENTS

Declarant reserves, creates, establishes, promulgates, and declares the non-exclusive, perpetual easements set forth herein for the enjoyment of the Declarant, the Developer, the Association, the Members, the Owners, and their successors-in-title.

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11.1 Easements for Common Area, Private Streets and Trail System. Subject to the provisions of Article 2, Declarant hereby reserves, creates, establishes, promulgates and declares perpetual, non-exclusive easements for itself, its successors, assigns and designees, the Developer, the Association and the Owners, the following easements:

(a) a right and nonexclusive easement of use, access, and enjoyment in and to the Common Area (including any easement rights designated as Common Area);

(b) a right and nonexclusive easement of use, access, and enjoyment in and to, over and across any Private Streets, whether or not the Private Streets are Common Area, for the purpose of ingress and egress to public rights-of-way; and

(c) a right and nonexclusive easement of use, access, and enjoyment over and across the Trail System and any other areas designated as "trails" or "paths" on any recorded subdivision plat of the Properties regardless of whether the Trail System or any trails or paths are located on Lots or Common Area.

11.2 Easements of Encroachment. Declarant reserves, creates, establishes, promulgates and declares non-exclusive, perpetual, reciprocal, appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between adjacent Lots, between each Lot and any adjacent Common Area or Private Amenity, and between Common Area and the Private Amenity due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three (3) feet, as measured from any point on the common boundary along a line perpendicular to the boundary. In no event shall an easement for encroachment exist if the encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of the easement.

11.3 Easements for Lateral Support. Declarant reserves, creates, establishes, promulgates and declares non-exclusive, perpetual, reciprocal, appurtenant easements over every portion of the Common Area, every Lot, and any improvement which contributes to the lateral support of another portion of the Common Area or of another Lot or of any Private Amenity for lateral support, and each shall also have the right to lateral support which shall be appurtenant to and pass with title to the property.

11.4 Easements for Utilities, Etc.

(a) Declarant reserves, creates, establishes, promulgates and declares non-exclusive, perpetual, reciprocal, appurtenant easements, for itself and for the Developer during the Development Period, for the Association, any Private Amenity, and the designees of each (which may include, without limitation, any governmental or quasi-governmental entity and any utility company) perpetual non-exclusive easements upon, across, over, and under all of the Properties (but not through a structure, existing or proposed) to the extent reasonably necessary for the purpose of installing, constructing, monitoring, replacing, repairing, maintaining, operating and removing cable, digital or similar television systems, master television antenna systems, and other devices for sending or receiving data or other electronic signals; security and similar systems; roads, walkways, pathways and trails; wetlands, irrigation, and drainage systems; street lights and signage; and all utilities, including, but not limited to, water, septic, sewer, telephone, gas, and electricity systems, lines and meters; and an easement for access of vehicular and pedestrian traffic over, across, and through the Properties, as necessary, to exercise the easements described above.

(b) Declarant may assign to the local water supplier, sewer service provider, electric company, telephone company, natural gas supplier, internet service provider, cable television/satellite service provider or any utility sub-metering company, the easements set forth herein across the Properties for ingress, egress, installation, reading, replacing, repairing, and maintaining utility lines, meters and boxes, as applicable.

(c) Declarant reserves, creates, establishes, promulgates and declares for itself and the Developer during the Development Period and for the designees of Declarant and Developer, non-exclusive, perpetual, reciprocal, appurtenant easements, and the non-exclusive right and power to grant specific easements as may be necessary, in the sole discretion of Declarant or Developer, in connection with the orderly development of any property described on Exhibits A or B and any Private Amenity identified in the Governing Documents.

(d) Any damage to a Lot resulting from the exercise of the easements described in subsections (a) and (b) of this Section shall promptly be repaired by, and at the expense of, the Person exercising the easement. Nothing contained herein shall obligate the Declarant, the Developer, the Association or the Board to pursue legal recourse against any Person damaging a Lot or any portion thereof as a result of the exercise of this easement. The exercise of these easements shall not extend to permitting entry into the structures on any Lot, and shall not unreasonably interfere with the use of any Lot. Except in an emergency, entry onto any Lot in the exercise the easements set forth in this Section shall be made only after reasonable notice to the Owner or occupant.

(e) Declarant reserves unto itself the right, in the exercise of its sole discretion, upon the request of any Person holding, or intending to hold, an interest in the Properties, or at any other time, (i) to release all or any portion of the Properties from the burden, effect, and encumbrance of any of the easements granted or reserved under this Section, or (ii) to define the limits of any easements.

11.5 Easement for Erosion and Slope Control, Drainage and Waterway Maintenance. Declarant reserves, creates, establishes, promulgates and declares non-exclusive, perpetual, appurtenant easements, for itself, the Developer and the Association, the owner of any Private Amenity and their respective representatives, successors and assigns, contractors and agents, over, across, under, through and upon each Lot for the purposes of:

(a) controlling soil erosion, including grading and planting with vegetation any areas of any Lot which are or may be subject to soil erosion;

(b) drainage of natural or man-made water flow and water areas from any portion of the Properties or Private Amenity;

(c) changing, modifying or altering the natural flow of water, water courses or waterways on or adjacent to any Lot or Common Area;

(d) dredging, enlarging, reducing or maintaining any detention facilities, water areas or waterways within the Properties;

(e) installing pipes, lines, conduits or other equipment as necessary for slope control, drainage and waterway maintenance of any portion of the Properties or any Private Amenity;

(f) complying with the USACE Declaration; and

(g) complying with the terms of any NPDES General Permit.

11.6 Easements for Detention Facility and Wetlands Maintenance and Flood Water.

(a) Declarant reserves, creates, establishes, promulgates and declares for itself, the Developer and the Association, and their successors, assigns, and designees the nonexclusive, perpetual, reciprocal, appurtenant right and easement, but not the obligation, to enter upon any detention facilities, streams, wetlands and other bodies of water located within the Area of Common Responsibility to (i) install, keep, maintain, and replace pumps and irrigation systems in order to provide water for the irrigation of any of the Area of Common Responsibility; (ii) draw water for purposes of irrigation; (iii) construct, maintain, and repair any bulkhead, wall, dam, or other structure retaining water; (iv) remove trash and other debris therefrom and fulfill maintenance responsibilities as provided in this Declaration; and (v) fulfill the obligations set forth in the USACE Declaration. The Declarant, the Association, and their designees shall have an access easement over and across any of the Properties abutting or containing any portion of any Detention Pond, any stream, wetland or other body of water to the extent reasonably necessary to exercise their rights under this Section.

(b) Declarant further reserves, creates, establishes, promulgates and declares for itself, the Developer, and the Association, and their successors, assigns and designees, the non-exclusive, perpetual, reciprocal, appurtenant right and easement of access and encroachment over the Common Area and Lots (but not the homes thereon) adjacent to or within twenty (20) feet of detention facilities, streams, wetlands and other bodies of water in order to (i) temporarily flood and back water upon and maintain water over these portions of the Properties; (ii) fill, drain, dredge, deepen, clean, fertilize, dye, and generally maintain detention facilities, streams, wetlands and other bodies of water within the Area of Common Responsibility; (iii) maintain and landscape the slopes and banks pertaining to detention facilities, streams, wetlands and any other bodies of water; (iv) maintain and repair any bulkhead, wall, dam or other structure retaining water and any landscaping installed thereon; (v) disturb existing landscaping; and (vi) pile dirt and plant materials. All Persons entitled to exercise these easements shall use reasonable care in, and repair any damage resulting from the intentional exercise of the easements. All affected areas shall be restored to a neat and attractive condition to the extent practical, as soon as reasonably possible after completion of any construction or maintenance activities authorized in this Declaration. Nothing herein shall be construed to make Declarant, Developer, the Association or any other Person liable for damage resulting from flooding due to heavy rainfall or other natural disasters.

(c) Declarant reserves unto itself the right, in the exercise of its sole discretion, upon the request of any Person holding, or intending to hold, an interest in the Properties, or at any other time, (i) to release all or any portion of the Properties from the burden, effect, and encumbrance of any of the easements granted or reserved under this Section, or (ii) to limit further any easements.

11.7 Easements to Serve Additional Property and Private Amenity. The Declarant reserves, creates, establishes, promulgates and declares non-exclusive, perpetual, appurtenant easements for itself and the Developer and their duly authorized successors and assigns, including without limitation, successors-in-title, agents, representatives, and employees, successors, assigns, licensees, and mortgagees, an easement over the Common Area for the purposes of enjoyment, use, access, and development of the Additional Property and the Private Amenity, whether or not the property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Area for construction of roads, for the posting of signs, and for connecting and installing utilities serving the Additional Property and the Private Amenity. Declarant agrees that the Persons using the easements shall be responsible for any damage caused to the Common Area as a result of vehicular traffic connected with development of the Additional Property or the Private Amenity.

11.8 Easement for Entry, Maintenance and Enforcement.

(a) Easement for Entry. Declarant reserves, creates, establishes, promulgates and declares non-exclusive, perpetual, appurtenant easements for the Association to enter upon any Lot for emergency, security, and safety reasons. The right may be exercised by the Developer, any member of the Board, the Association's officers, committee members, agents, employees and managers of the Association, and by all police officers, fire fighters, ambulance personnel, and similar emergency personnel in the performance of their duties. Except in emergencies, entry onto a Lot shall be only during reasonable hours and after notice to the Owner and occupants. This easement includes the right to enter any Lot to cure any condition which may increase the possibility of fire, rapid or sudden slope erosion, immediate risk of personal injury, or other hazard if an Owner fails or refuses to cure the condition within a reasonable time after request by the Board, but shall not authorize entry into any home without permission of the Owner, except by emergency personnel acting in their official capacities. Entry under this Section shall not constitute a trespass.

(b) Easements for Maintenance and Enforcement.

(i) Declarant reserves, creates, establishes, promulgates and declares non-exclusive, perpetual, appurtenant rights and easements for the Association to enter all portions of the Properties, including each Lot but excluding the interior of any home, to (A) perform its maintenance responsibilities under Section 5.1, and (B) make inspections to ensure compliance with the Governing Documents. Except in emergencies, entry onto a Lot shall be only during reasonable hours. This easement shall be exercised with a minimum of interference to the quiet enjoyment to Owners' property, and any damage shall be repaired by the Association at its expense.

(ii) The Association may also enter a Lot (excluding the interior of any home) and use measures reasonably necessary to abate or remove any structure, thing or condition that violates the Governing Documents. All costs incurred, including reasonable attorneys fees, may be assessed against the violator as a Specific Assessment.

(iii) Entry under this Section shall not constitute a trespass, and prior notice to the Owner shall not be required except as provided in Section 5.2.

11.9 Easement for Special Events. Declarant reserves, creates, establishes, promulgates and declares for itself, its successors, assigns and designees a perpetual, non-exclusive appurtenant easement over the Common Area for the purpose of conducting or allowing its designees to conduct educational, cultural, entertainment, promotional or sporting events, and other activities of general community interest at the locations and times as Declarant, in its sole discretion, deems appropriate. Each Owner, by accepting a deed or other instrument conveying any interest in a Lot, acknowledges and agrees that the exercise of this easement may result in a temporary increase in traffic, noise, gathering of crowds, and related inconveniences, and each Owner agrees on behalf of itself and the occupants of the Owner's Lot to take no action, legal or otherwise, which would interfere with the exercise of such easement or to recover damages for or as the result of any the activities. Declarant's rights hereunder are subject to the provisions of Article 13.

11.10 Easement for Lake Access. Declarant hereby grants to the Owners a perpetual, non-exclusive easement over and across areas of the Common Area adjacent to any lake designated by recorded subdivision plat for the purpose of ingress and egress to the lake. The easement is limited solely to access at the locations designated and constructed by Declarant or the Association and shall not include the right for any individual Owner to construct any structure, walkway or path within the Common Area for lake access. By granting the easement in this Section, Declarant has no intent to grant any easement

across a Lot, or to grant or dedicate any easement to the general public for use of any lake. Use of the easements in this Section are subject to the terms of the USACE Declaration.

11.11 Liability for Use of Easements. No Owner shall have a claim or cause of action against the Declarant, the Developer, the Association, their successors or assigns, arising out of the exercise or non-exercise of any easement reserved hereunder or shown on any subdivision plat for the Properties, except in cases of willful or wanton misconduct.

11.12 Easements for Private Amenities. Declarant reserves, creates, establishes, promulgates and declares for the owners of any Private Amenity the following non-exclusive, perpetual, reciprocal, appurtenant easements which shall benefit the Private Amenity:

(a) The owner of any Private Amenity within or adjacent to any portion of the Properties, its agents, successors and assigns, shall at all times have a right and non-exclusive easement of access and use over those portions of the Common Area, Private Streets and Trail System reasonably necessary to the operation, maintenance, repair and replacement of the Private Amenity.

(b) Declarant hereby establishes for the benefit of the owner of any Private Amenity and its members (regardless of whether such members are Owners hereunder), guests, invitees, employees, agents, contractors, and designees, a right and nonexclusive easement of access and use over all roadways (including Private Streets) located within the Properties reasonably necessary to travel between the entrance to the Properties and the Private Amenity and over those portions of the Properties (whether Common Area or otherwise) reasonably necessary to the operation, maintenance, repair, and replacement of the Private Amenities. Without limiting the generality of the foregoing, members of a Private Amenity and guests and invitees of the Private Amenity shall have the right to park vehicles on the roadways located within the Properties at reasonable times before, during, and after special events, tournaments and other similar functions held by or at the Private Amenity to the extent that the Private Amenity has insufficient parking to accommodate such vehicles. The Private Amenity, its guests, invitees, employees, agents, contractors and designees shall have the right to be admitted through any gate, after receipt of clearance from the Private Amenity, without the payment of a fee or charge for ingress or egress, provided that the number of such persons permitted entrance to the Properties at any one time may be limited or otherwise restricted to a reasonable number in order to avoid congestion and the unauthorized parking of vehicles.

(c) Declarant hereby establishes for the benefit of the owner of any Private Amenity and its members (regardless of whether such members are Owners hereunder), guests, invitees, employees, agents, contractors, and designees, a right and nonexclusive easement of access and use over the Trail System located within the Properties without the payment of a fee or charge for ingress or egress, *provided that* the easement granted hereunder shall be subject to reasonable rules and regulations.

(d) The owner of a Private Amenity shall have easements for erecting a reasonable number of temporary and permanent directional signs (the "Private Amenity Signs") to provide guidance to the public to the Private Amenity ("Private Amenity Sign Easement"). The owner of a Private Amenity shall propose the number, style and locations of the Private Amenity Signs. The proposal for Private Amenity Signs shall be subject to the prior written approval of the ARB. Declarant or Developer shall be entitled from time to time to request that the owner of the Private Amenity relocate one or more of the Private Amenity Signs to accommodate any changes which may from time to time occur in development plans for the Properties, and the Private Amenity owner may not withhold or delay consent to the request if Declarant proposes a relocation site of equal quality to the location of any Private Amenity Sign as of that time. The owner of the Private Amenity shall install and maintain all the Private Amenity Signs located in the Private Amenity Sign Easement.

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(e) Any damage to the Trail System, the Common Area or a Lot resulting from the exercise of the easements by the owner of any Private Amenity and its members, guests, invitees, employees, agents, contractors, and designees shall promptly be repaired by, and at the expense of, the Private Amenity.

ARTICLE 12: MORTGAGEE PROVISIONS

The following provisions are for the benefit of holders, insurers and guarantors of first Mortgages on Lots in the Properties. The provisions of this Article apply to both this Declaration and to the By-Laws, notwithstanding any other provisions contained therein.

12.1 Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage who provides a written request to the Association (including the name and address of such holder, insurer, or guarantor and the street address of the Lot to which the Mortgage relates, thereby becoming an "Eligible Holder"), will be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Properties or which affects any Lot on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder;

(b) Any delinquency in the payment of assessments or charges owed by a Lot subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of sixty (60) Days, or any other violation of the Declaration or By-Laws relating to such Lot or the Owner or occupant which is not cured within sixty (60) Days;

(c) Any lapse, cancellation, or material modification of any insurance policy maintained by the Association; or

(d) Any proposed action that would require the consent of a specified percentage of Eligible Holders pursuant to Federal Home Loan Mortgage Corporation requirements.

12.2 No Priority. No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

12.3 Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering the Owner's Lot.

12.4 Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board to respond to or consent to any action (delivered to the Mortgagee by certified or registered mail, return receipt requested, or by overnight delivery with receipts provided) shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within thirty (30) Days of the date of the Association's request.

12.5 Construction of Article 12. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, By-Laws, or Georgia law for any of the acts set out in this Article.

ARTICLE 13: DECLARANT'S RIGHTS

13.1 Transfer or Assignment. Any or all of the special rights and obligations of the Declarant set forth in the Governing Documents may be transferred or assigned in whole or in part to the Developer, the Association or to other Persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that which the Declarant has under this Declaration or the By-Laws. Upon transfer, the Declarant shall be automatically released from any and all liability arising with respect to the transferred rights and obligations. No transfer or assignment of Declarant's rights shall be effective unless in a written instrument signed by the Declarant and duly recorded in the Public Records.

13.2 Development and Sales.

(a) The Declarant, the Developer, and Builders authorized by Declarant may maintain and carry out on the Properties such activities as, in the sole opinion of the Declarant, may be reasonably required, convenient, or incidental to the development of the Properties or the construction or sale of Lots (such as sales activities, tournaments, charitable events, and promotional events) and restrict Members from using the Common Area during such activities. These activities shall be conducted in a manner to minimize (to the extent reasonably possible) any substantial interference with the Members' use and enjoyment of the Common Area. Activities necessitating exclusion of Owners from Common Areas, shall not exceed seven (7) consecutive Days. The Declarant, the Developer and authorized Builders shall have easements over the Properties for access, ingress and conducting such activities.

(b) The Declarant, the Developer, and Builders authorized by Declarant may establish within the Properties, including any clubhouse, such facilities as, in the sole opinion of the Declarant, may be reasonably required, convenient, or incidental to the development of the Properties or the construction or sale of Lots, including, but not limited to, business offices, signs, model units, tents, sales offices, sales centers and related parking facilities. During the Development Period, Owners may be excluded from use of all or a portion of such facilities in the Declarant's sole discretion. The Declarant, the Developer and authorized Builders shall have easements over the Properties for access, ingress, and egress and use of such facilities.

(c) Declarant or Developer may permit the use of any facilities situated on the Common Area by Persons other than Owners without the payment of any use fees.

13.3 Improvements to Common Areas. The Declarant, the Developer and their employees, agents and designees shall also have a right and easement over and upon all of the Common Area for the purpose of making, constructing and installing such improvements to the Common Area as deemed appropriate by Declarant or Developer.

13.4 Additional Covenants. No Person shall record any declaration of covenants, conditions and restrictions, declaration of condominium, easements, or similar instrument affecting any portion of the Properties without Declarant's review and written consent. Recording of additional covenants without Declarant's consent shall result in the additional covenants being void and of no force and effect unless subsequently approved by written consent signed by the Declarant and recorded in the Public Records. No such additional covenants recorded by any Person (other than the Declarant as to the USACE Declaration, or pursuant to Section 7.4) may conflict with the Declaration, By-Laws or Articles.

13.5 Governmental Interests. During the Development Period, the Declarant may designate sites within the Properties for fire, police, and utility facilities, public schools and parks, streets, and other public or quasi-public facilities. No membership approval shall be required for such designation. The sites may include Common Area, in which case the Association shall take whatever action is required to

permit use of Common Area by a governmental interest, including conveyance of the site, if so directed by Declarant. The sites may include other property not owned by Declarant provided the owner of such property consents.

13.6 Rezoning. No Owner or any other Person may apply or join in an application to amend, vary or modify the zoning applicable to the Properties, or rezone or apply for any zoning variance or waiver as to all or any portion of the Properties without the prior written consent of Declarant. Each Person that acquires any interest in the Properties acknowledges that the Development is a master planned community, the development of which is likely to extend over many years, and agrees not to protest or challenge (a) changes in uses or density of property outside the Neighborhood in which such Person owns a Lot, or (b) changes in the Master Plan relating to property outside the Neighborhood in which such Person owns a Lot. Declarant may apply for such rezoning as to any portion of the Properties owned by it at any time.

13.7 Right of the Declarant to Disapprove Actions. Until two (2) years following the termination of the Class "B" membership, the Declarant shall have the right to disapprove any action, policy or program of the Association, the Board and any committee which, in the sole judgment of the Declarant, would tend to impair rights of the Declarant, the Developer or Builders under the Governing Documents, or interfere with development of, construction on, or marketing of any portion of the Properties, or diminish the level of services being provided by the Association. This right to disapprove is in addition to, and not in lieu of, any right to approve or disapprove specific actions of the Association, the Board or any committee as may be granted to the Declarant in the Governing Documents. The rights under this Section shall be exercised as follows:

(a) The Declarant shall be given written notice of all meetings and proposed actions approved at meetings (or by written consent in lieu of a meeting) of the Association, the Board or any committee. Notices shall comply with the By-Laws and shall, except in the case of the regular meetings held pursuant to the By-Laws, set forth in reasonable particularity the agenda to be followed at such meeting. The Declarant may waive the right to receive notice in the same manner as provided in the By-Laws.

(b) The Declarant shall be given the opportunity at any meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program which would be subject to the right of disapproval set forth herein. The Declarant, its representatives or agents may make Declarant's concerns, thoughts, and suggestions known to the Board and the members of the subject committee.

(c) No action, policy or program subject to the right of disapproval set forth herein shall become effective or be implemented until and unless the requirements of subsections (a) and (b) above have been met and the time period set forth in subsection (d) below has expired.

(d) The Declarant, acting through any authorized representative, may exercise the right to disapprove at any time within ten (10) Days following the meeting at which such action was proposed or, in the case of any action taken by written consent in lieu of a meeting, at any time within ten (10) Days following receipt of written notice of the proposed action. No action, policy or program shall be effective or implemented if the Declarant exercises the right to disapprove. This right to disapprove may be used to block proposed actions but shall not include a right to require any action or counteraction on behalf of any committee, or the Board or the Association. The Declarant shall not use the right to disapprove to reduce the level of services that the Association is obligated to provide or to prevent capital repairs or any expenditure required to comply with applicable laws and regulations.

13.8 Amendments. No amendment to or modification of any use restrictions and rules or Design Guidelines shall be effective without prior notice to and the written consent of the Declarant, during the Development Period. This Article may not be amended without the written consent of the Declarant.

13.9 Termination of Article 13 Rights. The rights contained in this Article shall terminate upon the earlier of (a) December 31, 2020, or (b) upon recording by Declarant in the Public Records a written statement terminating the rights under Article 13.

ARTICLE 14: PRIVATE AMENITIES

14.1 General. Private Amenities shall not constitute a portion of the Common Area. Neither membership in the Association nor ownership or occupancy of a Lot shall confer any ownership interest in or right to use any Private Amenity. Rights to use the Private Amenity will be granted only to such persons, and on such terms and conditions, as may be determined from time to time by the owner of the Private Amenity.

14.2 Conveyance of Private Amenity. All Persons, including all Owners, are hereby notified that no representations or warranties have been or are made by the Declarant, the Developer, the Association, any Builder, or by any Person acting on behalf of any of the foregoing, with regard to the continuing ownership or operation of any Private Amenity, and no purported representation or warranty in such regard, either written or oral, shall be effective unless specifically set forth in a written instrument executed by the record owner of the Private Amenity. The ownership or operation of the Private Amenity may change at any time by virtue of, but without limitation, (a) the sale to or assumption of operations of any Private Amenity by a Person other than the current owner or operator; (b) the establishment of, or conversion of the membership structure to, an "equity" club or similar arrangement whereby the members of the Private Amenity or an entity owned or controlled by its members become the owner(s) or operator(s) of the Private Amenity; or (c) the conveyance of any Private Amenity to one or more affiliates, shareholders, employees, or independent contractors of the Declarant. No consent of the Association, any Neighborhood Association, any Voting Delegate, or any Owner shall be required to effectuate any change in ownership or operation of any Private Amenity, for or without consideration and subject to or free of any mortgage, covenant, lien or other encumbrance.

14.3 View Impairment. Neither the Declarant, the Developer, the Association, nor the owner of any Private Amenity, guarantees or represents that any view over and across any Private Amenity from Lots will be preserved without impairment. The owners of the Private Amenity shall have no obligation to prune or thin trees or other landscaping, and shall have the right, in their sole and absolute discretion, to add trees and other landscaping or to install improvements or barriers (both natural and artificial) to the Private Amenity from time to time. Any such additions or changes may diminish or obstruct any view from the Lots and any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed. Each Owner, by acceptance of a deed, acknowledges that any view of a Private Amenity which the Lot may enjoy as of the date of the purchase of the Lot may be impaired or obstructed by the natural growth of existing landscaping, the installation of additional trees, other landscaping or other types of improvements or barriers (both natural and artificial) on the Private Amenity.

14.4 Cost-Sharing Agreements. The Association may enter into a contractual arrangement or Cost-Sharing Agreement with the owner of any Private Amenity obligating the Private Amenity or the Association to contribute funds for, among other things, shared property or services or a higher level of Common Area maintenance in accordance with Section 5.6.

14.5 Easement for Trail System and Access to Development. The owner of the Private Amenity and its members, guests, invitees, employees, agents, contractors, and designees shall have such easements over the Properties as set forth in Section 11.12

14.6 Use Restrictions. Upon request of the owner of any Private Amenity, the Association shall enforce the Association's use restrictions and rules against any Owner or occupant violating such regulations within such Private Amenity, including but not limited to the exercise of the Association's self-help rights for violation of sign and pet restrictions.

14.7 Limitations on Amendments. In recognition of the fact that the provisions of this Article are for the benefit of the Private Amenity, no amendment to this Article, and no amendment in derogation of any other provisions of this Declaration benefitting any Private Amenity, may be made without the written approval of the owner(s) of the affected Private Amenity. The foregoing shall not apply, however, to amendments made by the Declarant.

14.8 Jurisdiction and Cooperation. The Declarant's intention is that the Association and the Private Amenity shall cooperate to the maximum extent possible in the operation of the Properties and the Private Amenity. Each shall reasonably assist the other in upholding the Community-Wide Standard as it pertains to maintenance and the Design Guidelines. The Association shall have no power to promulgate use restrictions or rules affecting activities on or use of the Private Amenity without the prior written consent of the owners of the Private Amenity affected thereby.

ARTICLE 15: GENERAL PROVISIONS

15.1 Duration.

(a) Unless terminated as provided in Section 15.1(b), the provisions of this Declaration shall run with, bind the Properties and remain in effect perpetually to the extent permitted by law; provided, however, so long as Georgia law limits the period during which covenants restricting lands to certain uses may run, any provisions of this Declaration affected thereby shall run with and bind the land for so long as permitted by Georgia law. To the extent that Georgia law limits the period during which covenants may run with the land, then to the extent consistent with such law, this Declaration shall automatically be extended at the expiration of such period for successive periods of twenty (20) years each. If any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

(b) Unless otherwise provided by Georgia law, this Declaration may be terminated within the first twenty (20) years after the date of recording by an instrument signed by Owners of at least ninety percent (90%) of the total Lots within the Properties, which instrument is recorded in the Public Records; provided however, regardless of the provisions of Georgia law, this Declaration may not be terminated during the Development Period without the prior written consent of the Declarant. After twenty (20) years from the date of recording, this Declaration may be terminated only by an instrument signed by Owners owning at least fifty-one percent (51%) of the Lots and constituting at least fifty-one percent (51%) of the total number of Owners, and by the Declarant, if the Declarant owns any portion of the Properties, which instrument complies with the requirements of O.C.G.A. §44-5-60(d) and is recorded in the Public Records. Nothing in this Section shall be construed to permit termination of any easement created in this Declaration without the consent of the holder of such easement.

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15.2 Amendment.

(a) By Declarant. Until termination of the Development Period, Declarant may unilaterally amend this Declaration for any purpose. Thereafter, the Declarant may unilaterally amend this Declaration at any time and from time to time if the amendment is necessary (i) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Lots; (iii) to enable any institutional or governmental lender, purchaser, insurer or guarantor of Mortgage loans, including, for example, the U.S. Department of Veterans Affairs, the U.S. Department of Housing and Urban Development, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure or guarantee Mortgage loans on the Lots; or (iv) to satisfy the requirements of any local, state or federal governmental agency. Any amendment hereunder shall not adversely affect the title to any Lot unless the Owner shall consent in writing. The failure of an amendment to apply uniformly to all Lots shall not constitute a material adverse effect upon the rights of any Owner.

(b) By the Board. The Board shall be authorized to amend this Declaration without the consent of the Members (i) for the purpose of submitting the Properties to the Georgia Property Owners' Association Act, O.C.G.A. §44-3-220, *et seq.* (1994) and conforming this Declaration to any mandatory provisions thereof; (ii) to correct scrivener's errors and other mistakes of fact; and (iii) for the purposes of bringing any provision contained herein into compliance with the Fair Housing Amendments Act of 1988, as more fully set forth in Section 15.4; provided that amendments under this provision have no material adverse effect on the rights of the Owners. During the Development Period, amendments shall require the written consent of the Declarant.

(c) By Members. Except as otherwise specifically provided above and elsewhere in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Members holding sixty-seven percent (67%) of the total Class "A" votes in the Association, and, during the Development Period, the written consent of the Declarant. The percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

(d) Validity and Effective Date. Any amendment to the Declaration shall become effective upon recording in the Public Records, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within six (6) months of recording or the amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration. No amendment may remove, revoke, or modify any right or privilege of the Declarant, the Developer, or the Class "B" Member without the written consent of the Declarant, the Developer, the Class "B" Member, or the assignee of such right or privilege. If an Owner consents to any amendment to this Declaration or the By-Laws, the Owner's authority to consent shall be conclusively presumed, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of the amendment.

15.3 Severability. Invalidation of any provision of this Declaration, in whole or in part, or any application of a provision of this Declaration by judgment or court order shall in no way affect other provisions or applications.

15.4 Fair Housing Amendments Act. The provisions of the Governing Documents shall be subordinate to the Fair Housing Amendments Act of 1988, 42 U.S.C. §3601, *et seq.*, (hereinafter referred to as "FHAA"), and shall be applied so as to comply with the FHAA. If a conflict arises between or among the Governing Documents and the FHAA, the FHAA shall prevail. If any provision of this

Declaration conflicts with the FHAA, the Board of Directors, without the consent of the Members or of the Declarant, shall have the unilateral right to amend this Declaration for the purpose of bringing this Declaration into compliance with the FHAA. The Board shall have the unilateral right to assign portions of the Common Area as Exclusive Common Area or to reassign Common Area previously assigned as Exclusive Common Area to one or more Lots to one or more Owner(s) or occupant(s) should such action be required in order to make a reasonable accommodation under the FHAA. Any conflicts between this Section and Section 2.3 shall be resolved in favor of this Section.

15.5 Dispute Resolution. The intent of the Association and the Declarant is to encourage the amicable resolution of disputes involving the Properties and to avoid the emotional and financial costs of litigation if at all possible. Accordingly, the Association, the Declarant and each Owner covenants and agrees that it shall attempt to resolve all claims, grievances or disputes involving the Properties, including, without limitation, claims, grievances or disputes arising out of or relating to the interpretation, application or enforcement of the Governing Documents, through alternative dispute resolution methods, such as mediation and arbitration. To foster the amicable resolution of disputes, the Board may adopt alternative dispute resolution procedures. Participation in alternative dispute resolution procedures shall be voluntary and confidential. Should either party conclude that the discussions have become unproductive or unwarranted, then the parties may proceed with litigation.

15.6 Litigation. Except as provided below, no judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by Members holding eighty percent (80%) of the total Class "A" votes in the Association. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of the Governing Documents (including, without limitation, the foreclosure of liens); (b) the imposition and collection of assessments as provided in Article 8; (c) proceedings involving challenges to *ad valorem* taxation; (d) counterclaims brought by the Association in proceedings instituted against it; or (e) actions brought by the Association against any contractor, vendor, or supplier of goods or services arising out of a contract for services or supplies. This Section shall not be amended unless the amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

15.7 Non-Merger. Even if Declarant is the current owner of the Properties, the express intention of Declarant is that the easements established in the Declaration for the benefit of the Properties and Owners shall not merge into the fee simple estate of individual lots conveyed by Declarant or its successor, but that the estates of the Declarant and individual lot owners shall remain as separate and distinct estates. Any conveyance of all or a portion of the Properties shall be subject to the terms and provisions of this Declaration, regardless of whether the instrument of conveyance refers to this Declaration.

15.8 Grants. The parties hereby declare that this Declaration, and the easements created herein shall be and constitute covenants running with the fee simple estate of the Properties. The grants and reservations of easements in this Declaration are independent of any covenants and contractual agreements undertaken by the parties in this Declaration and a breach by either party of any such covenants or contractual agreements shall not cause or result in a forfeiture or reversion of the easements granted or reserved in this Declaration.

15.9 Cumulative Effect; Conflict. The provisions of this Declaration shall be cumulative with any additional recorded covenants, restrictions, and declarations applicable to any Neighborhood, and the Association may, but shall not be required to, enforce the covenants, restrictions and declarations applicable to any Neighborhood; provided however, in the event of a conflict between or among this Declaration and Neighborhood covenants, restrictions or declarations, or the provisions of any articles of incorporation, by-laws, rules and regulations, policies, or practices adopted or carried out pursuant

thereto, this Declaration, the By-Laws, Articles, and use restrictions and rules of the Association shall prevail over those of any Neighborhood. The foregoing priorities shall apply, but not be limited to, the lien for assessments created in favor of the Association. Nothing in this Section shall preclude any Supplemental Declaration or other recorded covenants, restrictions and declarations applicable to any portion of the Properties from containing additional covenants, restrictions or provisions that are more restrictive than the provisions of this Declaration, and the Association shall have the standing and authority for enforcement.

15.10 Use of the "Blue Valley" Name and Logo. Without the Declarant's prior written consent, no Person (other than Declarant or Developer) shall use the words "Blue Valley" or the logo for "Blue Valley" or any derivative in any printed or promotional material. Owners may use the words "Blue Valley" in printed or promotional matter where such terms are used solely to specify that particular property is located within the Development, and the Association and any other community association located in the Development, the Declarant, and the Developer shall each be entitled to use the words "Blue Valley" in their names.

15.11 Compliance. Every Owner and occupant of any Lot shall comply with the Governing Documents. Failure to comply shall be grounds for an action by the Association, the Declarant, or by any aggrieved Owner(s) to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, in addition to those enforcement powers granted to the Association in Section 4.3.

15.12 Notice of Sale or Transfer of Title. Any Owner desiring to sell or otherwise transfer title to a Lot shall give the Board at least seven (7) Days' prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. After the transfer of title, the transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Owner of the Lot, including assessment obligations, until the date upon which such notice is received by the Board, notwithstanding the transfer of title.

15.13 Exhibits. Exhibits A and B attached to this Declaration are incorporated by this reference and amendment of such exhibits shall be governed by the provisions of Section 15.2. Exhibit C is attached for informational purposes and may be amended as provided therein.

15.14 Statement of Background. The recitals contained in the Statement of Background are incorporated herein by this reference and made a part of this Declaration.

[SIGNATURE ON FOLLOWING PAGE]

BLUE VALLEY

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration this 27 day of February, 2016.

Signed, sealed and delivered in the presence of:

[Signature]
Unofficial Witness

[Signature]
Notary Public

My commission expires:

(NOTARY SEAL)



DECLARANT:

CL CHATHAM, LLC
a Georgia limited liability company

By: Chatham Holdings Corporation, a Georgia corporation, its Managing Member

By: [Signature]
Name: J. David Chatham
Title: President

[CORPORATE SEAL]

Deed Book 50037 Pg 324

BLUE VALLEY

EXHIBIT A**Land Initially Submitted****Neighborhood Designation: Phase 1 (Cherokee County)**

ALL THAT TRACT OR PARCEL OF LAND LYING AND BEING IN LAND LOT 123, 124, 165, 166 AND 195 OF THE 2ND DISTRICT, CHEROKEE COUNTY, GEORGIA, SAID TRACT OR PARCEL CONTAINING 54.328 ACRES AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A ¾" OPEN TOP PIPE FOUND AT THE NORTHEAST CORNER OF LAND LOT 166; THENCE SOUTH 15 DEGREES 28 MINUTES 51 SECONDS WEST, 433.27 FEET TO A #4 REBAR FOUND; SAID POINT BEING THE POINT OF BEGINNING;

THENCE SOUTH 00 DEGREES 10 MINUTES 25 SECONDS WEST, 898.05 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY OF LIBERTY GROVE ROAD 50' R/W; THENCE ALONG SAID NORTHERLY RIGHT OF WAY OF LIBERTY GROVE ROAD ALONG A CURVE TO THE LEFT, AN ARC DISTANCE OF 249.40 FEET, SAID CURVE HAVING A RADIUS OF 1775.00 FEET AND BEING SUBTENDED BY A CHORD OF 249.20 FEET, AT NORTH 84 DEGREES 17 MINUTES 48 SECONDS WEST, TO A POINT; THENCE NORTH 88 DEGREES 19 MINUTES 19 SECONDS WEST, 225.62 FEET TO A POINT; THENCE ALONG A CURVE TO THE LEFT, AN ARC DISTANCE OF 147.16 FEET, SAID CURVE HAVING A RADIUS OF 5025.00 FEET AND BEING SUBTENDED BY A CHORD OF 147.15 FEET, AT NORTH 89 DEGREES 09 MINUTES 40 SECONDS WEST, TO A POINT; THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, 557.55 FEET TO A POINT; THENCE ALONG A CURVE TO THE RIGHT, AN ARC DISTANCE OF 194.63 FEET, SAID CURVE HAVING A RADIUS OF 475.00 FEET AND BEING SUBTENDED BY A CHORD OF 193.27 FEET, AT NORTH 78 DEGREES 15 MINUTES 42 SECONDS WEST, TO A POINT; THENCE NORTH 66 DEGREES 31 MINUTES 24 SECONDS WEST, 103.34 FEET TO A POINT; THENCE ALONG A CURVE TO THE RIGHT, AN ARC DISTANCE OF 121.45 FEET, SAID CURVE HAVING A RADIUS OF 175.00 FEET AND BEING SUBTENDED BY A CHORD OF 119.03 FEET, AT NORTH 46 DEGREES 38 MINUTES 31 SECONDS WEST, TO A POINT; THENCE NORTH 26 DEGREES 45 MINUTES 37 SECONDS WEST, 50.97 FEET TO A POINT; THENCE ALONG A CURVE TO THE RIGHT, AN ARC DISTANCE OF 186.40 FEET, SAID CURVE HAVING A RADIUS OF 175.00 FEET AND BEING SUBTENDED BY A CHORD OF 177.71 FEET, AT NORTH 03 DEGREES 45 MINUTES 13 SECONDS EAST, TO A POINT; THENCE NORTH 34 DEGREES 16 MINUTES 03 SECONDS EAST, 53.62 FEET TO A POINT; THENCE ALONG A CURVE TO THE LEFT, AN ARC DISTANCE OF 120.20 FEET, SAID CURVE HAVING A RADIUS OF 195.00 FEET AND BEING SUBTENDED BY A CHORD OF 118.31 FEET, AT NORTH 16 DEGREES 36 MINUTES 29 SECONDS EAST, TO A POINT; THENCE NORTH 41 DEGREES 05 MINUTES 47 SECONDS EAST, 58.22 FEET TO A POINT; THENCE NORTH 13 DEGREES 17 MINUTES 35 SECONDS WEST, 92.04 FEET TO A POINT; THENCE SOUTH 60 DEGREES 50 MINUTES 36 SECONDS WEST, 52.87 FEET TO A POINT; THENCE ALONG A CURVE TO THE LEFT, AN ARC DISTANCE OF 79.76 FEET, SAID CURVE HAVING A RADIUS OF 207.37 FEET AND BEING SUBTENDED BY A CHORD OF 79.27 FEET, AT NORTH 44 DEGREES 28 MINUTES 28 SECONDS WEST, TO A POINT; THENCE NORTH 53 DEGREES 57 MINUTES 35 SECONDS WEST, 91.86 FEET TO A #4 REBAR FOUND; THENCE LEAVING SAID NORTHERLY RIGHT OF WAY OF LIBERTY GROVE ROAD NORTH 12 DEGREES 24 MINUTES 56 SECONDS EAST, 55.30 FEET TO A POINT; THENCE NORTH 08 DEGREES 39 MINUTES 04 SECONDS WEST, 70.43 FEET TO A POINT; THENCE NORTH 62 DEGREES 53 MINUTES 04 SECONDS WEST, 171.09 FEET TO A #4 REBAR FOUND; THENCE NORTH 45 DEGREES 47 MINUTES 24 SECONDS EAST, 483.16 FEET TO A POINT; THENCE

BLUE VALLEY

NORTH 15 DEGREES 04 MINUTES 37 SECONDS EAST, 155.37 FEET TO A POINT; THENCE NORTH 41 DEGREES 16 MINUTES 30 SECONDS EAST, 126.78 FEET TO A POINT; THENCE NORTH 82 DEGREES 00 MINUTES 39 SECONDS EAST, 108.73 FEET TO A POINT; THENCE NORTH 86 DEGREES 58 MINUTES 34 SECONDS EAST, 19.34 FEET TO A POINT ON THE WESTERLY LAND LOT LINE OF LAND LOT 123; THENCE ALONG SAID WESTERLY LAND LOT LINE OF LAND LOT 123 NORTH 00 DEGREES 00 MINUTES 52 SECONDS EAST, 777.29 FEET TO A POINT AT THE CENTERLINE OF A CREEK; THENCE FOLLOWING THE CENTERLINE OF SAID CREEK THE FOLLOWING COURSES AND DISTANCES: SOUTH 45 DEGREES 36 MINUTES 21 SECONDS EAST, 70.23 FEET TO A POINT; THENCE SOUTH 32 DEGREES 12 MINUTES 30 SECONDS EAST, 48.11 FEET TO A POINT; THENCE SOUTH 23 DEGREES 54 MINUTES 45 SECONDS EAST, 52.84 FEET TO A POINT; THENCE SOUTH 56 DEGREES 13 MINUTES 03 SECONDS EAST, 40.70 FEET TO A POINT; THENCE SOUTH 89 DEGREES 27 MINUTES 17 SECONDS EAST, 31.67 FEET TO A POINT; THENCE SOUTH 25 DEGREES 33 MINUTES 35 SECONDS EAST, 17.06 FEET TO A POINT; THENCE SOUTH 84 DEGREES 56 MINUTES 56 SECONDS EAST, 53.04 FEET TO A POINT; THENCE SOUTH 56 DEGREES 52 MINUTES 03 SECONDS EAST, 65.28 FEET TO A POINT; THENCE SOUTH 53 DEGREES 13 MINUTES 07 SECONDS EAST, 68.69 FEET TO A POINT; THENCE SOUTH 04 DEGREES 31 MINUTES 52 SECONDS EAST, 91.10 FEET TO A POINT; THENCE SOUTH 26 DEGREES 36 MINUTES 57 SECONDS EAST, 32.78 FEET TO A POINT; THENCE SOUTH 05 DEGREES 36 MINUTES 24 SECONDS WEST, 34.98 FEET TO A POINT; THENCE SOUTH 01 DEGREES 51 MINUTES 37 SECONDS WEST, 139.03 FEET TO A POINT; THENCE SOUTH 09 DEGREES 37 MINUTES 29 SECONDS EAST, 62.70 FEET TO A POINT; THENCE SOUTH 00 DEGREES 20 MINUTES 02 SECONDS EAST, 83.94 FEET TO A POINT; THENCE SOUTH 38 DEGREES 34 MINUTES 06 SECONDS WEST, 26.40 FEET TO A POINT; THENCE SOUTH 11 DEGREES 36 MINUTES 43 SECONDS EAST, 61.59 FEET TO A POINT; THENCE SOUTH 09 DEGREES 52 MINUTES 45 SECONDS WEST, 31.61 FEET TO A POINT; THENCE SOUTH 12 DEGREES 23 MINUTES 51 SECONDS EAST, 205.41 FEET TO A POINT; THENCE SOUTH 02 DEGREES 10 MINUTES 56 SECONDS WEST, 20.63 FEET TO A #4 REBAR FOUND; THENCE SOUTH 48 DEGREES 11 MINUTES 37 SECONDS EAST, 42.30 FEET TO A POINT; THENCE SOUTH 05 DEGREES 15 MINUTES 46 SECONDS EAST, 19.75 FEET TO A POINT; THENCE NORTH 73 DEGREES 58 MINUTES 19 SECONDS EAST, 143.44 FEET TO A POINT; THENCE NORTH 03 DEGREES 21 MINUTES 10 SECONDS EAST, 76.88 FEET TO A POINT; THENCE NORTH 33 DEGREES 18 MINUTES 57 SECONDS EAST, 26.05 FEET TO A POINT; THENCE SOUTH 49 DEGREES 55 MINUTES 52 SECONDS EAST, 43.97 FEET TO A POINT; THENCE NORTH 46 DEGREES 33 MINUTES 00 SECONDS EAST, 71.23 FEET TO A POINT; THENCE NORTH 54 DEGREES 30 MINUTES 30 SECONDS EAST, 55.62 FEET TO A POINT; THENCE NORTH 84 DEGREES 43 MINUTES 48 SECONDS EAST, 19.06 FEET TO A POINT; THENCE LEAVING THE CENTERLINE OF SAID CREEK SOUTH 39 DEGREES 14 MINUTES 20 SECONDS EAST, 758.93 FEET TO THE POINT OF BEGINNING.

BLUE VALLEY

EXHIBIT B

Additional Property

All those tracts or parcels of land lying and being within two miles of the perimeter boundary of the land described in Exhibit A and located in Fulton County or Cherokee County, Georgia, including without limitation the following:

Those tracts or parcels of land lying and being in Land Lots 123, 124, 127, 162, 163, 164, 165, 166, 196, 197, and 198 of the 2nd District, 2nd Section, Cherokee County, Georgia and Land Lots 194, 195, 196, 197, 198, 235, 236, 237 and 238 of the 2nd District, 2nd Section, Fulton County, Georgia.

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EXHIBIT C
BY-LAWS
OF
BLUE VALLEY COMMUNITY ASSOCIATION, INC.

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BY-LAWS**OF****BLUE VALLEY COMMUNITY ASSOCIATION, INC.****ARTICLE 1: NAME, PRINCIPAL OFFICE, AND DEFINITIONS**

1.1 Name. The name of the corporation is Blue Valley Community Association, Inc. (the "Association"), a Georgia nonprofit corporation.

1.2 Principal Office. The principal office of the Association shall be located in Fulton County, Georgia at Chatham Holdings Corporation, 5780 Windward Parkway, Suite 300, Alpharetta, GA 30005-2076. The Association may have such other offices, either within or outside the State of Georgia, as the Board of Directors may determine or as the affairs of the Association may require.

1.3 Definitions. The words used in these By-Laws shall be given their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in that Declaration of Covenants, Conditions and Restrictions for Blue Valley filed in the Public Records, as it may be amended (the "Declaration"), unless the context indicates otherwise.

ARTICLE 2: ASSOCIATION: MEMBERSHIP, MEETINGS, QUORUM, VOTING, PROXIES

2.1 Membership. The Association shall have two (2) classes of membership, Class "A" and Class "B," as more fully set forth in the Declaration, the terms of which pertaining to membership are incorporated by this reference. The Declarant may establish additional classes of membership as set forth in the Declaration.

2.2 Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as the Board may designate, either within the Properties or as convenient to the Properties as is possible and practical. Meetings may be held by means of telephone conference, video conference or similar communications equipment, by means of which all persons participating in the meeting can converse with each other. Participation by one of these methods shall constitute presence in person at such meeting.

2.3 Annual Meetings. The first meeting of the Association, whether a regular or special meeting, shall be held within one (1) year from the date of incorporation of the Association. If Voting Delegates have been elected, meetings shall be of the Voting Delegates. Subsequent regular meetings shall be held annually on a date and at a time set by the Board.

2.4 Special Meetings. The president may call special meetings. In addition, it shall be the duty of the president to call a special meeting within thirty (30) Days if so directed by resolution of the Board or upon a petition signed by Members holding at least twenty percent (20%) of the total Class "A" votes in the Association or upon written request of the Declarant.

2.5 Notice of Meetings. Written notice stating the place, day, and time of any meeting of the Members shall be delivered to each Member entitled to vote at such meeting, not less than ten (10) nor more than fifty (50) Days before the date of the meeting, by or at the direction of the president or the secretary or the officers or persons calling the meeting. No business shall be transacted at a meeting except as stated in the notice; provided, however, if Members holding at least twenty percent (20%) of the

Class "A" votes are present at an annual meeting, in person or by proxy, matters in addition to those set forth in the notice of the meeting may be voted upon without further notice to the Members.

2.6 Waiver of Notice. Waiver of notice of a meeting of the Association shall be deemed the equivalent of proper notice. Any Member or Voting Delegate may, in writing, waive notice of any meeting of the Association, either before or after such meeting. Attendance at a meeting shall be deemed a waiver of any objection as to notice of the time, date, and place thereof, unless a specific objection as to the lack of proper notice is given at the time the meeting is called to order. Attendance at a meeting also shall be deemed a waiver of notice of all business transacted at such meeting unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

2.7 Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, Members or their proxies holding a Majority of the votes represented at such meeting may adjourn the meeting to a time not less than five (5) or more than twenty (20) Days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business may be transacted that might have been transacted at the meeting originally called. If a time and place for reconvening the meeting is not set by those in attendance at the original meeting or if for any reason a new date is set for reconvening the meeting after adjournment, notice for reconvening the meeting shall be given to Members in the manner prescribed in Section 2.5.

2.8 Voting. The voting rights of the Members shall be as set forth in the Declaration and in these By-Laws, and such voting rights provisions are specifically incorporated by this reference. The Board may adopt policies and procedures regarding the methods of casting votes, such as written ballots, secret ballots or computer access.

2.9 List for Voting. After setting a record date for notice of a meeting, the Board shall prepare an alphabetical list of the names of the Members entitled to notice of such meeting. The list shall show the address of the Member and the number of votes each is entitled to vote at the meeting. The list for voting shall be made available for inspection in accordance with Georgia law.

2.10 Proxies. If a Voting Delegate is authorized to cast the votes for all Lots within a Neighborhood, the Voting Delegate may not assign the right to cast the votes by proxy, but may cast the votes only in person or through the designated alternate for the Voting Delegate. A Member authorized to cast the vote(s) for the Member's Lot(s) may cast the vote in person (if a corporation, partnership, limited liability company, or trust, through any officer, director, partner, member, manager or fiduciary duly authorized to act on behalf of the Member) or by proxy, subject to the limitations of Georgia law relating to use of general proxies and subject to any specific provision to the contrary in the Declaration or these By-Laws. Every proxy shall be in writing specifying the Lot(s) for which it is given, signed by the Member or such Member's duly authorized attorney-in-fact, dated, and filed with the secretary of the Association prior to the meeting for which it is to be effective. Unless otherwise specifically provided in the proxy, a proxy shall be presumed to cover all votes which the Member giving such proxy is entitled to cast, and in the event of any conflict between two (2) or more proxies purporting to cover the same voting rights, the later dated proxy shall prevail, or if dated as of the same date, both shall be deemed invalid. Every proxy shall be revocable and shall automatically cease upon conveyance of any Lot for which it was given, or upon receipt of notice by the secretary of the death or judicially declared incompetence of a Member who is a natural person, or of written revocation, or eleven (11) months from the date of the proxy, unless a shorter period is specified in the proxy.

2.11 Quorum. The presence, in person or by proxy, of Members (or in person by Voting Delegates) representing ten percent (10%) of the total Class "A" votes in the Association shall constitute a quorum at all meetings of the Association. If a quorum is present, business may be continued until

adjournment, notwithstanding the withdrawal of Members or Voting Delegates leaving less than a quorum, provided that any action taken is approved by at least a Majority of the votes required to constitute a quorum.

2.12 Conduct of Meetings. The president shall preside over all meetings of the Association, and the secretary shall keep the minutes of the meetings and record in a minute book all resolutions adopted and all other transactions occurring at such meetings.

2.13 Action Without a Meeting. Any action required or permitted by law to be taken at a meeting of the Association may be taken without a meeting, without prior notice and without a vote if written consent specifically authorizing the proposed action is signed by all Members entitled to vote on such matter. Consents shall be signed within sixty (60) Days after receipt of the earliest dated consent, dated and delivered to the Association at its principal place of business in the State of Georgia. The consents shall be filed with the minutes of the Association and shall have the same force and effect as a vote of the Members at a meeting. Within ten (10) Days after receiving authorization for any action by written consent, the secretary shall give written notice to all Members summarizing the material features of the authorized action.

ARTICLE 3: BOARD OF DIRECTORS: NUMBER, POWERS, MEETINGS

A. Composition and Selection of Board.

3.1 Governing Body; Composition. The affairs of the Association shall be governed by a Board of Directors, each of whom shall have one (1) equal vote. Except with respect to directors appointed by the Class "B" Member or serving as a representative of the Declarant, the directors shall be eligible Members or residents; provided, however, no Owner and resident representing the same Lot may serve on the Board at the same time. No Owner or resident shall be eligible to serve as a director if any assessment for such Owner's or resident's Lot is delinquent. A "resident" for the purposes of these By-Laws shall mean any natural person eighteen (18) years of age or older whose principal place of residence is a Lot within the Properties. In the case of a Member that is not a natural person, any officer, director, partner, member, manager, employee, or fiduciary of the Member shall be eligible to serve as a director unless otherwise specified by written notice to the Association signed by such Member, provided no Member may have more than one (1) such representative on the Board at a time, except in the case of directors appointed by or serving as representatives of the Class "B" Member or the Declarant.

3.2 Directors During Class "B" Membership. The initial Board shall be comprised of the three (3) persons named by the Class "B" Member. Subsequent directors may be appointed and removed by the Class "B" Member acting in its sole discretion for so long as the Class "B" membership exists.

3.3 Number, Nomination and Election of Directors.

(a) Except as provided in Section 3.2, the Board shall consist of five (5) directors elected by the Class "A" Members of the Association. The number of directors may be increased or decreased at any time by Board resolution. At the first Association annual meeting occurring after the termination of the Class "B" membership, or whenever the Class "B" Member earlier determines, the directors appointed by the Class "B" Member shall resign, the Board shall be increased to five (5) directors, and an election shall be held.

(b) Elected directors shall be nominated from the floor at a meeting of the Members and may also be nominated by a nominating committee, if such committee is established by the Board. If established, the nominating committee shall be appointed by the Board not less than thirty (30) Days prior

BLUE VALLEY

to each election to serve a term of one (1) year or until successors are appointed. New appointments to the nominating committee shall be announced at the election. A nominating committee shall make as many nominations for election to the Board as the committee shall in its discretion determine, but in no event less than the number of positions to be filled as provided in Section 3.3(a). In making its nominations, a nominating committee shall use reasonable efforts to nominate candidates representing the diversity that exists within the pool of potential candidates. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes.

(c) Each Owner may cast all votes assigned to such Owner's Lots for each position to be filled. If Voting Delegates have been elected, each Voting Delegate may cast all votes assigned to the Lots represented by the Voting Delegate for each position to be filled from the slate of candidates on which the Voting Delegate is authorized to vote. Cumulative voting is not permitted. The number of candidates equal to the number of positions to be filled receiving the greatest number of votes shall be elected. Two (2) directors shall serve a term of two (2) years, and three (3) directors shall serve a term of one (1) year, as the directors determine among themselves. Directors may be elected to serve any number of consecutive terms.

3.4 Removal of Directors and Vacancies.

(a) Any director elected by the Class "A" Members may be removed, with or without cause, by Members holding two-thirds (2/3) of the votes entitled to be cast for the election of the director, but shall not be subject to removal solely by the Class "B" Member. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director, a successor shall be elected by the Class "A" Members to fill the vacancy for the remainder of the term of such director.

(b) Any director elected by the Class "A" Members who has three (3) or more consecutive unexcused absences from Board meetings, or who is more than thirty (30) Days delinquent (or is the resident of a Lot that is delinquent or is the representative of a Member who is delinquent) in the payment of any assessment or other charge due the Association, may be removed by a Majority of the directors, and the Board may appoint a successor to fill the vacancy until the next annual meeting, at which time the Class "A" Members may elect a successor for the remainder of the term.

(c) In the event of the death, disability, or resignation of an elected director or the adoption of a Board resolution increasing the number of directors, the Board may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time the Class "A" Members shall elect a successor for the remainder of the term.

(d) This Section shall not apply to directors appointed by the Class "B" Member. The Class "B" Member shall be entitled to appoint a successor to fill any vacancy on the Board resulting from the death, disability or resignation of a director appointed by or elected as a representative of the Class "B" Member.

B. Meetings of the Board.

3.5 Organizational Meetings. Within thirty (30) Days after the election or appointment of new directors, the Board shall hold an organizational meeting at such time and place as the Board shall set.

3.6 Regular Meetings. Prior to termination of the Class "B" membership, regular meetings of the Board may be held at such time and place as a Majority of the directors shall determine. After

termination of the Class "B" membership, regular meetings of the Board may be held at such time and place as a Majority of the directors shall determine, but at least one (1) such meeting shall be held during each quarter of the fiscal year.

3.7 Special Meetings. Special meetings of the Board shall be held when called by written notice signed by the president or vice president or by any two (2) directors.

3.8 Notice. Notice of a regular meeting shall be communicated to directors not less than four (4) Days prior to the meeting. Notice of a special meeting shall be communicated to directors not less than seventy-two (72) hours prior to the meeting. No notice need be given to any director who has signed a waiver of notice or a written consent to holding of the meeting. The notice shall specify the time and place of the meeting and, in the case of a special meeting, the nature of any special business to be considered. Notices shall be given to each director by: (a) personal delivery; (b) first class mail, postage prepaid; (c) telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; (d) facsimile transmission to the director's home or office, with confirmation of receipt by the receiving facsimile; (e) telegram, charges prepaid; (f) overnight or same day delivery, charges prepaid; or (g) electronic mail or e-mail using Internet accessible equipment and services if the director has consented in writing to such method of delivery and has provided the Board with an electronic mail or e-mail address. All such notices shall be given at the director's telephone or facsimile number or sent to the director's address as shown on the records of the Association. Notices sent by first class mail shall be deemed communicated when deposited into a United States mailbox. Notices given by personal, overnight or courier delivery, telephone, facsimile, telegraph, or e-mail shall be deemed communicated when delivered, telephoned, faxed, e-mailed or given to the telegraph company.

3.9 Waiver of Notice. The transactions of any meeting of the Board, regardless of how called, how notice was given, or where held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting also shall be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

3.10 Participation in Meetings. Members of the Board or any committee designated by the Board may participate in a meeting of the Board or committee by means of telephone conference, video conference or similar communications equipment, by means of which all persons participating in the meeting can converse with each other. Participation in a meeting pursuant to this Section shall constitute presence in person at such meeting.

3.11 Quorum of Board of Directors. At all meetings of the Board, a Majority of the directors shall constitute a quorum for the transaction of business, and the votes of a Majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board, unless otherwise specifically provided in these By-Laws or the Declaration. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a Majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a Majority of the directors present at such meeting may adjourn the meeting to a time not less than four (4) nor more than twenty (20) Days from the date of the original meeting. At the reconvened meeting, if a quorum is present, any business that might have been transacted at the meeting originally called may be transacted without further notice.

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3.12 Compensation. Directors shall not receive any compensation from the Association for acting as such unless approved by Members holding a Majority of the total Class "A" votes in the Association at a regular or special meeting of the Association. Any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a Majority of the other directors. Nothing herein shall prohibit the Association from compensating a director, or any entity with which a director is affiliated, for services or supplies furnished to the Association in a capacity other than as a director pursuant to a contract or agreement with the Association, provided that such director's interest was made known to the Board prior to entering into such contract and such contract was approved by a Majority of the Board of Directors, excluding the interested director.

3.13 Conduct of Meetings. The president shall preside over all meetings of the Board, and the secretary shall keep a minute book of Board meetings, recording all Board resolutions and all transactions and proceedings occurring at such meetings. In the case of a tie vote on a motion or resolution before the Board, the motion or resolution is considered lost.

3.14 Open Meetings. Subject to the provisions of Sections 3.12 and 3.17, all meetings of the Board shall be open to all Voting Delegates and, if required by law, all Members, but attendees other than directors may not participate in any discussion or deliberation unless permission to speak is requested on an attendee's behalf by a director. In such case, the president may limit the time any individual may speak. The president shall have the authority to adjourn any meeting of the Board, reconvene in executive session, and exclude Persons other than directors, to discuss matters of a sensitive nature, including but not limited to, pending or threatened litigation and personnel matters.

3.15 Action Without a Formal Meeting. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties of the Board.

3.16 Powers. The Board shall have all of the powers and duties necessary for the administration of the Association's affairs and for performing all responsibilities and exercising all rights of the Association as set forth in the Governing Documents and as provided by law. The Board may do or cause to be done all acts and things that the Governing Documents or Georgia law do not direct to be done and exercised exclusively by the Voting Delegates or the membership generally.

3.17 Duties. The duties of the Board shall include, without limitation:

(a) preparing and adopting, in accordance with the Declaration, an annual budget establishing each Owner's share of the Common Expenses and any Neighborhood Expenses;

(b) levying and collecting assessments from the Owners;

(c) providing for the operation, care, upkeep, and maintenance of the Area of Common Responsibility;

(d) designating, hiring, and dismissing the personnel necessary to carry out the rights and responsibilities of the Association and where appropriate, providing for the compensation of personnel and for the purchase of equipment, supplies, and materials to be used by personnel in the performance of their duties;

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- (e) depositing all funds received on behalf of the Association in a bank depository which the Board shall approve, and using the funds to operate the Association, provided any reserve funds may be deposited, in the best business judgment of the Board, in depositories other than banks;
- (f) making and amending rules in accordance with the Declaration;
- (g) opening of bank accounts on behalf of the Association and designating the signatories required;
- (h) contracting for repairs, additions, and improvements to or alterations of the Common Area in accordance with the Governing Documents;
- (i) enforcing by legal means the provisions of the Governing Documents and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association in accordance with the Governing Documents;
- (j) obtaining and carrying property and liability insurance and fidelity bonds, as provided in the Declaration, paying the cost thereof, and filing and adjusting claims, as appropriate;
- (k) paying the costs of all services rendered to the Association;
- (l) keeping books with detailed accounts of the receipts and expenditures of the Association;
- (m) making available to any Owner, and the holders, insurers, and guarantors of any Mortgage on any Lot, current copies of the Governing Documents and all other books, records, and financial statements of the Association as provided in Section 6.4;
- (n) permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Properties;
- (o) indemnifying a director, officer or ARB or committee member, or former director, officer or ARB or committee member of the Association to the extent such indemnity is required or permitted under Georgia law or the Governing Documents; and
- (p) assisting in the resolution of disputes between Owners and others without litigation as set forth in the Declaration.

3.18 Right of Class "B" Member to Disapprove Actions. Until two (2) years following the termination of the Class "B" membership, the Declarant as the Class "B" Member shall have the right to disapprove any action, policy or program of the Association, the Board and any committee which, in the sole judgment of the Declarant, would tend to impair rights of the Declarant, the Developer or Builders under the Governing Documents, or interfere with development of, construction on, or marketing of any portion of the Properties, or diminish the level of services being provided by the Association. This right to disapprove is in addition to, and not in lieu of, any right to approve or disapprove specific actions of the Association, the Board or any committee as may be granted to the Declarant in the Governing Documents. The rights under this Section shall be exercised as set forth in Section 13.7 of the Declaration. Except to conform this provision with Section 13.7 of the Declaration, this provision shall not be amended until two (2) years following the termination of the Class "B" membership without the express written consent of the Declarant.

3.19 Management.

(a) The Board may employ for the Association a professional management agent or agents at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize. The Board may delegate such powers as are necessary to perform the manager's assigned duties, but shall not delegate policy-making authority. The Declarant or an affiliate of the Declarant may be employed as managing agent or manager.

(b) The Board may delegate to one (1) of its members the authority to act on behalf of the Board on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Board.

3.20 Accounts and Reports. The following management standards of performance shall be followed unless the Board by resolution specifically determines otherwise:

(a) cash or accrual accounting, as defined by generally accepted accounting principles, shall be employed;

(b) accounting and controls should conform to generally accepted accounting principles;

(c) cash accounts of the Association shall not be commingled with any other accounts;

(d) no remuneration shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; any item of value received shall benefit the Association;

(e) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board; and

(f) an annual financial report shall be made available to all Members within one hundred twenty (120) Days after the close of the fiscal year. Such annual report may be prepared on an audited, reviewed or compiled basis, as the Board determines.

3.21 Borrowing. The Association shall have the power to borrow money for any legal purpose; provided however, if the proposed borrowing is for the purpose of making discretionary capital improvements and the total amount of such borrowing, together with all other debt incurred within the previous twelve (12) month period, exceeds or would exceed ten percent (10%) of the budgeted gross expenses of the Association for that fiscal year, the Board shall obtain the approval of Members holding at least sixty-seven percent (67%) of the total votes allocated to Lots prior to borrowing such money.

3.22 Right to Enter into Contracts. The Association shall have the right to enter into contracts with any Person for the performance of various duties and functions. This right shall include, without limitation, the right to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, or Neighborhood and other owners or residents associations, within and outside the Properties.

3.23 Enforcement.

(a) Notice. Prior to imposition of any sanction requiring compliance with these procedures as set forth in the Declaration, the Board or its delegate shall serve the alleged violator with written notice including (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a statement that the alleged violator may present a written request for a hearing to the Board or the covenants committee, if one has been appointed pursuant to Article 5, within fifteen (15) Days of the notice; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a request for a hearing is received within fifteen (15) Days of the notice. If a timely request is not received, the sanction stated in the notice shall be imposed; provided, however, the Board or covenants committee may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the fifteen (15) Day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person. In the event of a continuing violation, each day the violation continues beyond the fifteen (15) Day period shall constitute a separate offense, and fines may be imposed on a per diem basis without further notice to the violator. In the event of a violation that recurs within one (1) year from the date of any notice hereunder, the Board or covenants committee may impose a sanction without further notice to the violator. The Board may adopt a schedule of sanctions for violations of the Governing Documents.

(b) Hearing. If a hearing is requested within the allotted fifteen (15) Day period, the hearing shall be held before the covenants committee, or if none has been appointed, then before the Board in executive session. The alleged violator shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or delegate who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or its representative appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

(c) Appeal. If a hearing is held before a covenants committee, the violator shall have the right to appeal the committee's decision to the Board. To exercise this right, a written notice of appeal must be received by the manager, president, or secretary of the Association within fifteen (15) Days after the hearing date.

ARTICLE 4: OFFICERS

4.1 Officers. The officers of the Association shall be a president, vice president, secretary, and treasurer. The president and secretary shall be elected from among the members of the Board; other officers may, but need not be members of the Board. The Board may appoint such other officers, including one (1) or more assistant secretaries and one (1) or more assistant treasurers, as it shall deem desirable, such officers to have such authority and perform such duties as the Board prescribes. Any two (2) or more offices may be held by the same person, except that the offices of president and secretary may not be held by the same person.

4.2 Election and Term of Office. The Board shall elect the officers of the Association at the first meeting of the Board following each election of new directors. Such officers shall serve until their successors are elected.

4.3 Removal and Vacancies. The Board may remove any officer at any time in its sole discretion with or without cause and may fill any vacancy in any office arising because of death, resignation, removal, or otherwise for the unexpired portion of the term.

4.4 Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may specifically be conferred or imposed by the Board of Directors. The president shall be the chief executive officer of the Association. The vice president shall assist the president in the performance of the president's duties, and shall preside at any meetings in the absence of the president. The treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both. The secretary shall be responsible for preparing minutes of meetings of the Association and the Board and for authenticating records of the Association.

4.5 Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the president, or the secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.6 Execution of Instruments. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by the president or vice president of the Association with the corporate seal of the Association affixed, or by any two (2) officers together, or by such other person or persons or in such other manner as may be designated by Board resolution.

4.7 Compensation. Compensation of officers shall be subject to the same limitations as compensation of directors under Section 3.14.

ARTICLE 5: COMMITTEES

5.1 General. The Board may appoint such committees as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. Each committee shall operate in accordance with the terms of such resolution. Unless otherwise provided by the Board, committee members shall be eligible Members or residents; provided however, no Class "A" Member may have more than one (1) representative on a committee at any time. No committee appointed by the Board shall be empowered to take any affirmative action or to bind the Board or the Association without the consent of the Board.

5.2 Covenants Committee. In addition to any other committees that the Board may establish pursuant to the Declaration and these By-Laws, the Board may appoint a covenants committee consisting of at least three (3) and no more than five (5) members. Acting in accordance with the provisions of the Declaration, these By-Laws, and resolutions the Board may adopt, the covenants committee, if established, shall be the hearing tribunal of the Association and shall conduct all hearings held pursuant to Section 3.23 of these By-Laws.

5.3 Neighborhood Committees.

(a) In addition to any other committees appointed as provided above, each Neighborhood which has no formal organizational structure or association may elect a Neighborhood Committee to determine the nature and extent of services, if any, to be provided to the Neighborhood by the Association in addition to those provided to all Members of the Association in accordance with the Declaration. A Neighborhood Committee may advise the Board on any other issue, but shall not have the authority to bind the Board or the Association. Such Neighborhood Committees, if elected, shall consist of three (3) to five (5) Members, as determined by the vote of at least a Majority of the Owners of Lots within the Neighborhood.

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(b) Neighborhood Committee members shall be elected for a term of one (1) year or until their successors are elected. Any director elected to the Board of Directors from a Neighborhood shall be an ex officio member of the Neighborhood Committee. The Neighborhood Committee shall elect a chairperson who shall preside at its meetings and shall be responsible for transmitting any and all communications to the Board.

(c) In the conduct of its duties and responsibilities, each Neighborhood Committee shall abide by the meeting, notice and quorum requirements applicable to the Board under Sections 3.8, 3.9, 3.10, and 3.11. Meetings of a Neighborhood Committee shall be open to all Owners of Lots in the Neighborhood and their representatives; provided however, a Neighborhood Committee may act by unanimous written consent in lieu of a meeting.

5.4 Advisory Board. During the Class "B" membership, the Board may, but shall have no obligation to, establish an advisory board to advise the Board and to act as liaison between the Board and the Class "A" Members. If established, the advisory board shall be composed of five (5) members and shall be a committee of the Association. The members of the advisory board shall be appointed by the Board, and shall serve at the pleasure of the Board. The advisory board shall not have the authority to bind the Board or the Association.

ARTICLE 6: MISCELLANEOUS

6.1 Fiscal Year. The fiscal year of the Association shall be the calendar year unless the Board establishes a different fiscal year by resolution.

6.2 Parliamentary Rules. Except as may be modified by Board resolution, *Robert's Rules of Order Newly Revised* (current edition) shall govern Association proceedings when not in conflict with Georgia law, the Articles of Incorporation, the Declaration, or these By-Laws.

6.3 Conflicts. If conflicts arise between the provisions of Georgia law, the Articles of Incorporation, the Declaration, and these By-Laws, the provisions of Georgia law, the Declaration, the Articles of Incorporation, and the By-Laws (in that order) shall prevail.

6.4 Books and Records.

(a) Inspection by Members and Mortgagees. The Board shall make available for inspection and copying by any holder, insurer or guarantor of a first Mortgage on a Lot, any Member, or the duly appointed representative of any of the foregoing at any reasonable time and for a purpose reasonably related to his or her interest in a Lot: the Declaration, By-Laws, and Articles of Incorporation, any amendments and supplements to the foregoing, the rules of the Association, and the minutes of meetings of the Members, the Board, and committees. The Board shall provide for such inspection to take place at the office of the Association, which may include the office of the Association's management agent, if any, or at such other place within the Properties as the Board shall designate during normal business hours.

(b) Rules for Inspection. The Board may establish reasonable rules with respect to:

- (i) notice to be given to the custodian of the records;
- (ii) hours and days of the week when such an inspection may be made; and
- (iii) payment of the cost of reproducing copies of documents requested.

(c) Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make a copy of relevant documents at the expense of the Association.

6.5 Notices.

(a) Except as otherwise provided in the Declaration or these By-Laws, all notices, demands, bills, statements, and other communications under the Declaration or these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first class postage prepaid:

(i) if to a Member or Voting Delegate, at the address which the Member or Voting Delegate has designated in writing and filed with the secretary or, if no such address has been designated, at the address of the Lot of the Member or Voting Delegate; or

(ii) if to the Association, the Board, or the managing agent, at the principal office of the Association or the managing agent or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

(b) If mailed, any notice shall be deemed to be delivered when deposited in the United States mail addressed with postage prepaid. To increase flexibility, any Person, including the Association, may consent to or request in writing additional methods of receiving notice, including but not limited to, facsimile or internet e-mail.

6.6 Amendments. No amendment may remove, revoke, or modify any right or privilege of the Declarant or the Class "B" Member without the written consent of the Declarant, the Class "B" Member, or the assignee of such right or privilege. If a Member consents to any amendment to the Declaration or these By-Laws, the conclusive presumption shall be that such Member has the authority to consent and no contrary provision in any Mortgage or contract between the Member and a third party will affect the validity of such amendment. Amendment to these By-Laws shall be made as follows:

(a) By Class B Member and Declarant. Until termination of the Class "B" membership, the Class "B" Member may unilaterally amend these By-Laws for any purpose. During the Development Period, the Declarant may unilaterally amend these By-Laws if such amendment is necessary (i) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Lots; (iii) to enable any institutional or governmental lender, purchaser, insurer or guarantor of Mortgage loans, including, for example, the U.S. Department of Veterans Affairs, the U.S. Department of Housing and Urban Development, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure or guarantee Mortgage loans on the Lots; or (iv) to satisfy the requirements of any local, state or federal governmental agency. Any amendment hereunder shall not adversely affect the title to any Lot unless the Owner shall consent in writing. The failure of an amendment to apply uniformly to all Lots shall not constitute a material adverse effect upon the rights of any Owner. In addition, during the Development Period, the Declarant may unilaterally amend these By-Laws for any other purpose, provided the amendment has no material adverse effect upon any right of any Member.

(b) By the Board. The Board shall be authorized to amend these By-Laws without the consent of the Members (i) for the purpose of submitting the Properties to the Georgia Property Owners' Association Act, O.C.G.A. §44-3-220, *et seq.* (1994) and conforming these By-Laws to any mandatory

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provisions thereof, (ii) to correct scrivener's errors and other mistakes of fact, provided that any amendments under this provision have no material adverse effect on the rights of the Members, and (iii) for the purpose of bringing any provision contained herein into compliance with the Fair Housing Amendments Act of 1988, as more fully set forth in Section 15.4 of the Declaration. During the Development Period, any such amendment shall require the consent of the Declarant.

(c) By Members. Except as provided above, these By-Laws may be amended only by the affirmative vote or written consent, or any combination thereof, of Members holding the greater of (i) at least sixty-seven percent (67%) of the total Class "A" votes in the Association, or (ii) the prescribed percentage of affirmative votes required for action to be taken under a specific clause. During the Development Period, any such amendment shall require the consent of the Declarant.

(d) Validity and Effective Date. Any amendment to these By-Laws shall become effective upon passage and certification by the secretary of the Association (and if required, consent of the Class "B" Member or Declarant), unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within six (6) months of its effective date or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these By-Laws. Amendments shall be entered into the minutes of the Association and filed with the corporate records of the Association.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting secretary of Blue Valley Community Association, Inc., a Georgia nonprofit corporation;

That the foregoing By-Laws constitute the original By-Laws of the Association, as duly adopted at a meeting of the Board of Directors thereof held on the 27 day of February, 2006.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 27 day of February, 2006.

Dwight H. Hermal [SEAL]
Secretary - _____