

BY-LAWS

OF

BROOKSTONE II HOMEOWNERS ASSOCIATION, INC.

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BY-LAWS

OF

BROOKSTONE II HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

Registered Office

Brookstone II Homeowners Association, Inc., a Georgia nonprofit corporation (the "Association"), shall have at all times within the State of Georgia a registered office and a registered agent. The Association may have other offices within the State of Georgia as may be determined from time to time by its Board of Directors (the "Board").

ARTICLE II

Membership in Association

2.1 Membership. The Association shall have two classes of membership, Class A and Class B, which classes of membership shall have the rights conferred on them by these By-Laws. Class A members and Class B members shall be determined as provided hereinbelow.

2.2 Class A Membership. Class A membership is a mandatory membership and shall consist of the owners of lots located on the real property described in Exhibit A to the Declaration of Covenants, Conditions and Restrictions for Brookstone II, a Country Club Community, dated July 7, 1987, and recorded in Deed Book 4550, Page 187, Cobb County, Georgia records (hereinafter the "Declaration") as well as any owner of a lot or lots located on all or any portion of the Additional Property described in Exhibit B to the Declaration at any time following the addition of such Additional Property or any portion thereof to the terms and provisions of the Declaration as provided in Section 2.02 of said Declaration.

2.3 Eligibility for Class B Membership. The following persons shall be eligible for Class B membership, which membership is strictly a voluntary membership: (i) any person who is a Class A member pursuant to Section 2.2 above, and (ii) any of the owners of lots located on the real property described in Exhibit A to the Declaration of Covenants, Conditions and Restrictions for Brookstone, a Country Club Community, dated February 5, 1987/ and recorded in Deed Book 4324, Page 484, Cobb County, Georgia records (hereinafter the "Brookstone I Declaration") as well as any owner of a lot or lots located on all or any portion of the Additional Property

described in Exhibit B to the Brookstone I Declaration at any time following the addition of such Additional Property or any portion thereof to the terms and provisions of the Brookstone I Declaration as provided in Section 2.02 of said Brookstone I Declaration.

2.4 Admission of Class B Members. Any person eligible for Class B membership pursuant to Section 2.3, above, shall be entitled to the rights afforded Class B members by these By-Laws upon (i) completion of a membership application form as may be required by the Board, (ii) issuance of a membership certificate in accordance with Article III herein, and (iii) payment to the Association of the annual dues or fee prescribed by the Board. Each Class B member of the Association shall be subject to the obligations, conditions and terms set forth herein.

2.5 Initiation Fee. There shall be no initiation fee required of Class A members. Class B members shall pay such initiation fee as may be required by the Board.

2.6 Succession. The Class A membership of each lot owner shall automatically terminate when he ceases to be a lot owner, and upon the conveyance, transfer or other disposition of a lot, said lot owner's Class A membership in the Association shall automatically be transferred to the new lot owner. Class B membership shall continue only so long as such member continues to meet the eligibility requirements set forth in Section 2.3, above, and pays the annual dues or fee prescribed by the Board for admission pursuant to Section 2.4, above. Upon the failure of a Class B member to meet such eligibility requirements or to pay the annual dues or fee prescribed by the Board, the Class B membership of such person shall automatically terminate.

2.7 Suspension and/or Expulsion of Class B Members. If, in a written and signed communication addressed to the Board, any Class B member of the Association shall be charged with conduct detrimental to the objects or interests of the Association or in violation of these By-Laws or such rules and regulations as may be prescribed by the Board, the Board shall consider the matter, and if the Board shall decide to take further action, the Secretary shall send a copy of the communication to the member concerned, who shall be given adequate time to reply, whereupon the Board shall take such further action as it may deem proper. If a majority of the Board, after a fair and impartial hearing on due notice to the concerned member, such notice to be given by the Secretary by registered or certified mail to the concerned member at least ten (10) days before the hearing, shall be satisfied of the

truth of the charges, the Board may request the member to resign or may suspend or expel him from Class B membership. Should such Class B member decline to resign on such request, his name shall be stricken from the Class B membership roll by the Board. Upon expulsion, the certificate of membership shall be surrendered, together with all rights and privileges appurtenant thereto.

2.8 Privileges and Obligations of Class B Membership.

(a) All Class B members shall be afforded the use of the recreational facilities located on the common areas owned by the Association, subject to such rules and regulations as may be adopted by the Board -which shall be posted at all times in such recreational facilities. Class B members shall have no ownership interest whatsoever in or to any assets of the Association, such members being entitled only to the use and enjoyment of the recreational facilities owned by the Association.

(b) The Board of Directors shall fix the terms and conditions upon which guests of Class B members may use the recreational facilities of the Association.

(c) The Association assumes no responsibility for personal property of any member or his guest which may be brought to or left at the recreational facilities of the Association.

2.9 Property Damage. Any property of the Association which is damaged as a result of the negligence or misconduct (as determined by the Board of Directors) by any member or his guest shall promptly be paid for by such member.

ARTICLE III Certificates of Membership

3.1 Certificate. Each Class B member of the Association shall be issued a numbered certificate of membership evidencing Class B membership in the Association. The certificates shall be issued subject to the restrictions, conditions and limitations set forth in these By-Laws.

3.2 Issuance. Certificates of membership shall be held in the name of One individual only. All family members residing in the same residence as the holder of the certificate shall be entitled to the rights and privileges of membership.

3.3 Death of Certificate Holder. Upon the death of any holder of a certificate of membership, his certificate shall be surrendered to the Association and a new certificate shall be

issued to the surviving spouse of the holder, without cost. Such surviving spouse shall thereafter be considered a Class B member having the same rights and privileges as the deceased spouse shall have had as a Class B member.

ARTICLE IV
Membership Meetings

4.1 Regular Meetings. The members shall annually hold a regular meeting, one of the purposes of which shall be to elect directors. The first regular annual meeting may be held, subject to the terms hereof, on any date, at the option of the Board, within one year after the incorporation of the Association. Subsequent to the first meeting, there shall be, a regular annual meeting held each year within fifteen days of the anniversary of the first regular annual meeting. All such meetings shall be held at such place in Cobb County, Georgia, and at such time as is specified in the written notice of such meeting. Subject to the terms of the Declaration, such notice shall be delivered to all members of the Association at least fifteen (15) days and not more than forty-five (45) days prior to the date of such meeting. Such notice shall also state the purpose of such meeting.

4.2 Special Meetings. Special meetings of the Association may be called by the President or by a majority of the directors, or by 50% or more of the Class A members. A special meeting shall be called by delivering written notice to all members not less than ten (10) days nor more than thirty (30) days prior to the date of said meeting, stating the date, time, place and purpose of the special meeting.

4.3 Delivery of Notice of Meetings. Notices of meetings shall be delivered by or at the direction of the Secretary of the Association and may be delivered either personally or by mail to a member at the address given to the Board by said member for such purpose, or to the member's lot, if no address for such purpose has been given to the Board.

4.4. Waiver of Notice. Waiver of notice of meeting of the members shall be deemed the equivalent of proper notice. Any member may, in writing, waive notice of any meeting, either before or after such meeting. Attendance at a meeting by a member, whether in person or by proxy, shall be deemed waiver by such member of notice of the time, date and place thereof unless such member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted, thereat unless objection to lack of notice is raised before the business, of which proper notice was not given, is put to a vote.

4.5 Voting. (a) Only Class A members, including Declarant (as such term is defined in the Declaration) with respect to lots owned by it, shall be entitled to vote as set forth in the Declaration, which vote may be cast by the member, the member's spouse or by a lawful proxy as provided below. Class B members shall have no voting rights. When more than one person owns a lot, the vote for such lot shall be exercised as they between or among themselves determine, but in no event shall more than one vote be cast with respect to such lot. In the event of disagreement among such persons and an attempt by two or more of them to cast the vote for such lot, such persons shall not be recognized and the vote for such lot shall not be counted. No Class A member shall be eligible to vote, either in person or by proxy, or be elected to the Board, if that member is shown on the books or management accounts of the Association to be more than sixty (60) days delinquent in any payment due the Association.

(b) The following matters shall be subject to the affirmative vote of not less than 75% of the Class A members of the Association at a meeting duly called for that purpose: (a) the merger or consolidation of the Association; (b) the sale, lease, exchange, mortgage, pledge or other disposition of all or substantially all of the property and assets of the Association; and (c) the purchase or sale of land or lots on behalf of the Association.

4.6 Voting List. A list of names and addresses of members entitled to vote shall be maintained at the registered office of the Association.

4.7 Quorum. Subject to the terms of the Declaration, a quorum of members for any meeting shall be deemed present throughout such meeting if members represented in person or by proxy and holding more than one-tenth (1/10) of all the votes of the Association entitled to be cast at such meeting are present at the beginning of such meeting.

4.8 Adjournment. Any meeting of the members may be adjourned from time to time for periods not exceeding forty-eight (48) hours by vote of the members holding the majority of the votes represented at such meeting, regardless of whether a quorum is present. Any business which could be transacted properly at the original session of the meeting may be transacted at an adjourned session, and no additional notice of such adjourned session shall be required.

4.9 Proxy. Any member entitled to vote may do so by written proxy duly executed by the member setting forth the

meeting at which the proxy is valid. To be valid, a proxy must be filed with the Secretary prior to the opening of the meeting for which it is to be used. Proxies must be dated and may be revoked only by written notice delivered to the Association. Presence in person at the meeting for which a proxy is given or transfer of ownership of a lot shall automatically revoke the proxy.

4.10 Consents. Any action which may be taken by a vote of the members of the Association may also be taken by written consent signed by all Class A members.

4.11 Rules of the Meeting. The Board may prescribe reasonable rules for the conduct of all meetings of the Board and members.

ARTICLE V Board of Directors

5.1 Composition. The affairs of the Association shall be governed by the Board. The Board shall be composed of at least three (3) but no more than nine (9) persons. The directors shall be Class A members or spouses of such members; provided, however, that no Class A member and his or her spouse may serve on the Board at the same time. The precise number of directors shall be fixed from time to time by resolution of the Board. Notwithstanding the foregoing, Declarant shall have the right to appoint and remove all members of the Board until such time as the first of the following events shall occur: (i) the date as of which the last lot in the Development (as such term is defined in the Declaration) owned by Declarant shall have been conveyed by Declarant to an Owner (as such term is defined in the Declaration) other than a person or persons constituting Declarant, or (ii) the surrender by Declarant of the authority to appoint and remove directors and officers of the Association by an express amendment to the Declaration executed and recorded by Declarant. Such directors as are appointed by Declarant need not be Class A members of the Association.

5.2 Term of Office. Each director, except in case of death, resignation, retirement, disqualification or removal, shall serve until the next succeeding annual meeting and thereafter until his successor shall have been appointed or elected and qualified.

5.3 Removal of Directors. (a) At any regular or special meeting of the Association duly called, any one or more of the directors, other than the directors appointed by Declarant, may be removed with or without cause by a majority vote of the Class A members of the Association, and a successor may then

and there be elected by the members to fill the vacancy thus created. Any director whose removal has been proposed by the Association shall be given at least ten (10) days' notice of the calling of the meeting and the purpose thereof and shall be given an opportunity to be heard at the meeting.

(b) With respect to directors appointed by Declarant, such directors may be removed by Declarant at any time and from time to time and successors appointed to serve in their place for so long as Declarant has the right to appoint and remove directors and officers of the Association in accordance with the terms and provisions of the Declaration.

5.4 Vacancies. A vacancy occurring in the Board, except by reason of removal of a director, may be filled for the unexpired term, and until the members or Declarant, as the case may be, shall have elected or appointed a successor, by affirmative vote of a majority of the directors then remaining in office though less than a quorum of the Board.

5.5 Compensation. Directors shall not be compensated unless and to the extent authorized by the Class A members of the Association at any meeting duly called for that purpose.

5.6 Nomination. Nomination for election to the Board shall be made by a nominating committee which shall consist of three (3) Class A members appointed by the President to serve from the close of one annual meeting to the close of the succeeding annual meeting. Such appointment shall be announced at the annual meeting. The nominating committee may nominate any number of qualified individuals, but no less than the number of directors to be elected. The nominations shall be made at least twenty-one (21) days prior to the annual meeting and a brief statement about the qualifications of each individual so nominated shall be included with the notice of the annual meeting. Nominations shall also be allowed from the floor at the meeting. Failure to comply with the provisions hereof shall in no way invalidate the election of directors so nominated.

5.7 Elections. Directors to be elected by the members of the Association shall be elected, from among those nominated, by a majority vote at the annual meeting, a quorum being present.

5.8 Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by the Board, but such meetings shall be held at least once every six months. The Board shall meet within ten (10) days after each annual meeting of members.

5.9 Special Meetings. Special meetings of the Board may be called by the President on three (3) days notice to each director given by mail, in person or by telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President, Secretary or Treasurer in like manner and on like notice on the written request of at least two (2) directors.

5.10 Waiver of Notice. Any director may, in writing, waive notice of any meeting of the Board, either before or after such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall also constitute a waiver of notice by him or her of the time and place of such meeting. If all directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

5.11 Quorum. A quorum of directors shall be deemed present throughout any Board meeting at which a majority of the directors are present at the beginning of such meeting.

5.12 Conduct of Meetings. The President shall preside over all meetings of the Board and the Secretary shall keep a minute book recording therein all resolutions adopted by the Board and a record of all transactions and proceedings occurring at such meetings. Robert's Rules of Order (latest edition) shall govern the conduct of the meetings of the Board when not in conflict with the Declaration or these By-Laws.

5.13 Action Without a Meeting. Any action by the Board required or permitted to be taken at any meeting may be taken without a meeting if all of the directors consent in writing to such action. Such written consent or consents shall be filed with the minutes of the Board.

5.14 Powers and Duties. The Board shall exercise for the Association all powers, duties and authority vested therein by the Declaration or these By-Laws, except for such powers, duties and authority reserved thereby to the members of the Association or the Declarant. The Board shall have the following powers and duties:

- (a) to elect and remove the officers of the Association as hereinafter provided;
- (b) to administer the affairs of the Association;

(c) to engage the services of an agent (hereinafter sometimes referred to as the "Managing Agent") to maintain, repair, replace, administer and operate the Common Areas (as defined in the Declaration) or any part thereof, and any recreational facilities located thereon, upon such terms and for such compensation as the Board may approve, including a Managing Agent which is affiliated with one or more directors, or the Declarant, or both;

(d) to administer, manage and operate the Common Areas and any recreational facilities located thereon, and to formulate policies therefor;

(e) to adopt rules and regulations, with written notice thereof to all members of the Association, governing the details of the administration, management, operation and use of the Common Areas and any recreational facilities located thereon, and to amend such rules and regulations from time to time;

(f) to provide for the operation, care, upkeep, maintenance, repair, replacement and improvement of the Common Areas and any recreational facilities located thereon and payments therefor, and to approve payment vouchers or to delegate such approval to the officers of the Association or the Managing Agent;

(g) to have access to each lot from time to time as may be necessary for the maintenance, repair or replacement of the Common Areas therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Areas or to one or more other lots;

(h) to obtain adequate and appropriate kinds of insurance as provided in Article VI of the Declaration;

(i) to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Common Areas and any recreational facilities located thereon, and to delegate any such powers to a Managing Agent (and any employees or agents of a Managing Agent);

(j) to appoint committees and to delegate to such committees the Board's authority to carry out certain duties of the Board;

(k) to determine the fiscal year of the Association and to change said fiscal year from time to time as the Board deems advisable;

(l) to estimate the amount of, prepare, adopt and distribute the budget for the Association not less frequently than annually, to provide the manner of assessing, levying on and collecting from the members the annual and special assessments, dues and fees, and to levy fines against one or more occupants or members in accordance with the Declaration;

(m) to keep detailed, accurate records of the receipts and expenditures affecting the use and operation of the Common Areas and any recreational facilities located thereon;

(n) to enter into agreements or arrangements for premises suitable for use as apartments for maintenance or management personnel, upon such terms as the Board may approve;

(o) to bid and purchase, for and on behalf of the Association, any lot, or interest therein, at a sale pursuant to a mortgage foreclosure, a foreclosure of the lien for annual assessments, special assessments or both, or an order or direction of a court, or at any other involuntary sale, upon the affirmative vote of not less than 75% of the Class A members of the Association at a meeting duly called for that purpose, provided that Class A members shall set forth a maximum price that the Board or its duly authorized agent may bid and pay for such lot or interest therein;

(p) to make such mortgage arrangements and special assessments proportionately among the respective members, and other such financing arrangements, as the Board may deem desirable, in order to close and consummate the purchase or lease of a lot, or interest therein, by the Association; provided, however, that no such financing arrangement shall be secured by an encumbrance on any interest in the Property other than the lot, or interest therein, to be purchased or leased;

(q) to act in a representative capacity in relation to matters involving the Common Area or more than one lot, on behalf of the members of the Association, as their interests may appear;

- (r) to enforce by legal means the provisions of the Declaration and these By-Laws with respect to the Property (as defined in the Declaration);
- (s) to renew, extend or compromise indebtedness owed to or by the Association;
- (t) at its discretion, to authorize occupants to use the Common Areas and any recreational facilities located thereon for private parties and gatherings and, at its discretion, to impose reasonable charges for such private use;
- (u) unless otherwise provided herein or in the Declaration, to comply with the instructions of a majority of the Class A members of the Association as expressed in a resolution duly adopted at any annual or special meeting of the Association; and
- (v) in addition to, and in furtherance of, the powers referred to in these By-Laws, the Association shall
- (i) have all the powers permitted to be exercised by a nonprofit corporation under the Georgia Nonprofit Corporation Code, as now in force or hereafter amended, and (ii) have and exercise all powers necessary or convenient to effect any or all of the purposes for which the Association is organized, and to do every other act not inconsistent with law which may be appropriate to promote and attain the purposes set forth in the Declaration and these By-Laws.

ARTICLE VI
Officers

6.1 Designation. At each regular annual meeting of the Board, the directors present at said meeting shall elect the following officers of the Association by a majority vote; provided, however, that such officers shall be appointed by Declarant for as long as Declarant has the right to appoint and remove directors and officers of the Association in accordance with the terms and provisions of the Declaration:

- (a) a President, who shall be a director and who shall preside over the meetings of the Board and of the Association, and who shall be the chief executive officer of the Association;
- (b) a Secretary, who shall keep the minutes of all meetings of the Board and of the Association, and shall be designated as the officer to mail and receive

all notices served by or upon the Board or the Association and execute amendments to the Declaration and these By-Laws, and shall, in general, perform all the duties incident to the office of Secretary, and may be a representative of the Managing Agent;

- (c) a Treasurer, who shall be responsible for financial records and books of account and the manner in which such records and books are kept and reported; provided, however, that the duties of the Treasurer may be performed by an employee or independent contractor retained by the Board; and
- (d) such additional officers as the Board shall see fit, to elect.

Any two or more offices may be held by the same person, except the offices of President and Secretary.

6.2 Powers. The respective officers shall have the general powers usually vested in such officers; provided that the Board may delegate any specific powers to any other officer or impose such limitations or restrictions upon the powers of any officer as the Board may see fit.

6.3 Term of Office. Each officer shall hold office for the term of one year and until his successor shall have been appointed or elected and qualified.

6.4 Vacancies. Vacancies in any office shall be filled by Declarant, for as long as Declarant has the right to appoint and remove directors and officers of the Association in accordance with the terms and provisions of the Declaration, or by the Board by a majority vote at a special meeting of said Board, as the case may be. Any officer so appointed by Declarant or elected by the Board to fill a vacancy shall hold office for a term equal to the unexpired term of the officer replaced.

6.5 Compensation. Officers shall receive no compensation for their services as officers unless expressly provided for in a resolution duly adopted by the Class A members at a meeting duly called for that purpose.

6.6 Removal. Any officer elected by the Board may be removed from office, either with or without cause, by a majority vote of the Board. Any officer appointed by Declarant may be removed by Declarant at any time and from time to time and successors appointed to serve in their place for as long as Declarant has the right to appoint and remove directors and

officers of the Association in accordance with the terms and provisions of the Declaration.

ARTICLE VII
Contractual Powers

No contract or other transaction between the Association and one or more of its directors or between the Association and any corporation, firm or association in which one or more of the directors are also directors, or are financially interested, is void or voidable because such director or directors are present at the meeting of the Board or a committee thereof which authorizes or approves the contract or transaction or because the vote or votes of such director or directors are counted toward such authorization or approval, if the circumstances specified in either of the following subparagraphs exists:

- (a) the fact of the common directorship or financial interest is disclosed or known to the Board or committee and noted in the minutes thereof, and the Board or committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose, without counting the vote or votes of such director or directors; or
- (b) the contract or transaction is just and reasonable as to the Association at the time it is authorized or approved.

Such common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board or a committee thereof which authorizes, approves or ratifies such a contract or transaction.

ARTICLE VIII
Indemnification

8.1 General. The Association shall indemnify and hold harmless each of its directors and officers, each member of any committee appointed pursuant to the By-Laws of the Association, the Board and the Declarant against all contractual and other liabilities to others arising out of contracts made by, or other acts of, such directors, Board, officers, committee members or Declarant, on behalf of the members of the Association, or arising but of their status as directors, Board, officers, committee members or Declarant, unless any such contract or act shall have been made fraudulently or with gross negligence or criminal intent. It is intended that the foregoing indemnification shall include indemnification against

all costs and expenses (including but not limited to counsel fees, amounts of judgments paid and amounts paid in settlement) reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative or other, in which any such director, officer, Board, committee member or Declarant may be involved by virtue of such persons being or having been such director, officer, Board, committee member or Declarant; provided, however, that such indemnity shall not be operative with respect to (a) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence or fraud in the performance of his duties as such director, officer, Board, committee member or Declarant, or (b) any matter settled or compromised, unless in the opinion of independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such persons being adjudged liable for gross negligence or fraud in the performance of his duties as such director, officer, Board, committee member or Declarant.

8.2 Success on Merits. To the extent that the Board, Declarant, a director, officer of the Association or member of any committee appointed pursuant to these By-Laws has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Paragraph 8.1, above, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

8.3 Expenses in Advance of Disposition. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in-advance of the final disposition of such action, suit or proceeding as authorized in the specific case upon receipt of an undertaking by or on behalf of the director, officer, Board, committee member or Declarant to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article.

8.4 Non-Exclusive Remedy. The indemnification provided by this Article VIII shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of members of the Association or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. Such right to indemnification shall continue as to a person or entity who has ceased to be Declarant, a director, an officer of the Association or a member of such committee, and shall inure to the benefit of the heirs, executors, administrators, personal

representatives, successors and assigns of such person or entity.

ARTICLE IX
Use Restrictions and Rule Making

9.1 Authority and Enforcement. The Property shall be used only for those uses and purposes set out in the Declaration. The Board shall have the authority to make and to enforce reasonable rules and regulations governing the conduct, use and enjoyment of lots and the Common Areas and recreational facilities located thereon, provided that copies of all such rules and regulations be furnished to all members at least thirty (30) days prior to the effective date of such rules and regulations. The Board shall have the power to impose reasonable fines which shall constitute an equitable charge and a continuing lien upon the lot and to suspend a Class A member's right to vote or any member's right to use the recreational facilities located on the Common Areas for violation of any duty imposed under the Declaration, these By-Laws or any rules and regulations duly adopted hereunder.

9.2 Procedure. Except with respect to the failure of any member to pay assessments, dues or fees, the Board shall not impose a fine, suspend a Class A member's right to vote or infringe upon any other rights of a member or other occupant for violation of any rules or regulations of the Association unless and until the following procedure is followed:

(a) Demand. Written demand to cease and desist from an alleged violation shall be served upon the alleged violator specifying: (i) the alleged violation; (ii) the action required to abate the violation; and (iii) a time period, not less than ten (10) days, during which the violation may be abated without further sanction, if such violation is a continuing one, or a statement that any further violation of the same rule or regulation may result in the imposition of sanctions after notice and hearing, if the violation is not a continuing one.

(b) Notice. Within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty, or if the same rule or regulation is subsequently violated, the Board may serve the violator with written notice of a hearing to be held by the Board in executive session. The notice shall contain: (i) the nature of the alleged violation; (ii) the time and place of the hearing, which time shall be not less than ten (10) days from the giving of the notice; (iii) an invitation to attend the hearing and produce any statement, evidence and witnesses on

his or her behalf; and (iv) the proposed sanction to be imposed.

(c) Hearing. The hearing shall be held in executive session pursuant to the notice affording the violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard 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 other individual who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator 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.

ARTICLE X Amendments

These By-Laws may be amended, modified or rescinded, from time to time, in the following manner:

10.1 Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is to be considered.

10.2 Adoption. The Board shall have the power to alter, amend or repeal any of these By-Laws or to adopt new by-laws by the affirmative vote of a majority of all of the directors, but any by-laws adopted by the Board may be altered, amended or repealed and new by-laws adopted by the affirmative vote of at least two-thirds (2/3) of the Class A members of the Association. The Class A members may prescribe in any by-law adopted by them that such by-law shall not be altered, amended or repealed by the Board.

10.3 Proviso. No amendment may be adopted which would eliminate, modify, prejudice, abridge or otherwise affect any rights, benefits, privileges or priorities granted or reserved to Declarant without the prior written consent of Declarant. No amendment that is in conflict with the Articles of Incorporation of the Association or the Declaration shall be adopted.

ARTICLE XI Miscellaneous

11.1 Notices. Unless otherwise provided in these By-Laws, all notices, demands, bills, statements or other communications under 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, postage prepaid:

(a) If to a member of the Association, at the address which such member has designated in writing and filed with the Secretary, or if no such address has been designated, at the address of the lot of such member; or

(b) If to the Association, to Willoughby & Sewell Development, Ltd., 1781 Brookstone Walk, Acworth, Georgia 30101, or to such other address as the Association may from time to time notify the members in writing pursuant to this Paragraph.

11.2 Severability. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

11.3 Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of these By-Laws or the intent of any provision thereof.

11.4 Gender and Grammar. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender, and the use of the singular shall be deemed to include the plural, whenever the context so requires.

11.5 Audit. An audit of the accounts, of the Association shall be made annually as a common expense by an independent certified public accountant, and a copy of the report shall be furnished to each member who requests a copy in writing.

11.6 Conflicts. In the event of conflicts between the Declaration, the Articles of Incorporation and these By-Laws, the Declaration and Articles of Incorporation shall control, in that order.

STATE OF GEORGIA
COUNTY OF COBB

AMENDMENT TO THE BY-LAWS
OF
BROOKSTONE II HOMEOWNERS ASSOCIATION, INC.

WHEREAS, Article X of the By-Laws of Brookstone II Homeowners Association, Inc. (“By-Laws”) provide for amendment of the By-Laws by the Board of Directors of the Brookstone II Homeowners Association, Inc. (“Association”); and

WHEREAS, these Amendments to the By-Laws have been approved by the Association’s Board of Directors; and

WHEREAS, Article IX of the Association’s Articles of Incorporation provides for amendment of the Articles in accordance with the provisions of the Georgia Nonprofit Corporation Code, and the Articles of Incorporation have been amended to conform the Articles to the provisions hereof with the approval of the lesser of a majority of the Association vote or two-thirds (2/3) of the votes cast by Association members in person or by proxy at a duly called meeting, or by ballot;

NOW, THEREFORE, the By-Laws are hereby amended as follows:

1.

Article II, Section 2.1 of the By-Laws is hereby amended by adding the following to the end thereof:

Class B membership shall automatically cease as to an owner and lot upon any conveyance of the lot by the Class B member to any person other than that member’s spouse. After any such conveyance terminating Class B membership on a lot, the lot and any owner of such lot thereafter shall **not** be eligible for Class B membership. The intent hereof is to eliminate Class B membership for any owners acquiring a lot after the date of adoption of this Amendment (hereinafter the “Effective Date”).

2.

Article II, Section 2.3 of the By-Laws is hereby amended by deleting the phrase “(i) any person who is a Class A member pursuant to Section 2.2 above” therefrom and substituting “any person who, on the Effective Date hereof, is a Class A member pursuant to Section 2.2 above” therefor, and, further, by adding the following to the end thereof:

No person shall be eligible for Class B membership unless he or she: (1) is a Class A member on the Effective Date hereof, or (2) is the spouse of a person who is a Class A

member on the Effective date and is conveyed that Class member's lot after the Effective Date hereof.

3.

Article II, Section 2.6 of the By-Laws is hereby amended by adding the following to the end thereof:

In addition to the above, Class B membership shall terminate as to an owner and lot upon any conveyance of the lot by the Class B member to any person other than such member's spouse.

4.

Article II of the By-Laws is hereby amended by adding Section 2.10 thereto:

2.10 Use of Recreational Facilities by Class A Members. Class A Members shall be authorized to use the recreational facilities located on the Association's common areas only as follows:

- (a) Class A Member After the Effective Date. Any person who becomes a Class A member after the Effective Date (other than a spouse of a person who was a Class A member on the Effective Date) shall be authorized to use all Association recreational facilities, and, in addition to annual assessments levied under the Declaration, such member shall be assessed and shall pay a Class A member recreational facilities use fee levied each year by the Board pursuant to Article III, Section 3.03 of the Declaration. Such fee shall constitute an assessment against that Class A member and lot, and a personal obligation of that Class A member, as provided in Article IX of the Declaration.
- (b) Class A Member On the Effective Date. Any person who is a Class A member on the Effective Date hereof, and any spouse of such member who is conveyed the member's lot after the Effective Date, shall have no right or privilege to use the Association's recreational facilities **unless** that member also elects to become a Class B member, in accordance with Section 2.4 hereof and subject to the provisions of Section 2.5 and 2.8 hereof. Class B membership shall be available to such member and spouse, but Class B membership shall not be available to any other person, including any subsequent owner of a Class A member's lot.

In addition to the above, any person who is a Class A member on the Effective Date may permanently surrender and relinquish any right or privilege to become a Class B member, by executing and delivering to the Association a Surrender of Class B Membership Privilege in a form attached as Exhibit "A" hereto and incorporated herein by reference.

5.

Article III of the By-Laws is hereby amended by deleting that Article in its entirety.

IN WITNESS WHEREOF, the undersigned officers of Brookstone II Homeowners Association, Inc., hereby certify that the above amendment to the Declaration was duly adopted by the required majority of the Association and its membership.

This ____ day of _____, 200__.

Sworn to and subscribed to before
me this ____ day of _____,
200__.

**BROOKSTONE II HOMEOWNERS
ASSOCIATION, INC.**

Witness

By: _____(Seal)
President

Notary Public

Attest: _____(Seal)
Signature/Title

[Notary Seal]

[Corporate Seal]