

**BYLAWS**  
**OF**  
**MONTVALE HOMEOWNERS ASSOCIATION, INC.**

**2/20/02**

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**BYLAWS**  
**OF**  
**MONTVALE HOMEOWNERS ASSOCIATION, INC.**

**ARTICLE I**

Name, Membership, Applicability and Definitions

Section 1. Name. The name of the Association shall be Montvale Homeowners Association, Inc. (“Association”).

Section 2. Membership. The Association shall have one class of membership, as is more fully set forth in that Declaration of Protective Covenants for the Montvale Community (such Declaration, as amended, renewed or extended from time to time, is hereinafter sometimes referred to as the “Declaration”), the terms of which pertaining to membership are specifically incorporated by reference herein.

Section 3. Applicability. These Bylaws provide for the governance of the Montvale Community, in accordance with the Articles of Incorporation for Montvale Homeowners Association, Inc. and the Declaration, recorded in the Forsyth County, Georgia records, and are applicable to the Community and the Lots in the Community. These Bylaws are subject to the provisions of the Georgia Property Owners Association Act, the Georgia Non-Profit Corporation Code, the Articles of Incorporation of the Association, and the Declaration.

Section 4. Definitions. The words used in these Bylaws shall have the same meaning as set forth in the Declaration, unless the context shall prohibit.

**ARTICLE II**

Association: Meetings, Quorum, Voting, Proxies

Section 1. 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 may be designated by the Board of Directors, either in the Community or as convenient thereto as possible and practical.

Section 2. First Meeting and Annual Meetings. An annual or special meeting shall be held within one year from the date the Declaration is recorded. Annual meetings shall be set by the Board so as to occur no later than sixty (60) days after the close of the Association’s fiscal year. Notwithstanding the foregoing, the Board of Directors may cause the annual meeting to be on such other date in any year as they shall determine to be in the best interests of the Association, and any business transacted at said meeting shall have the same validity as if transacted at a meeting held during the month designated herein.

Section 3. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by resolution of a majority of the Board of Directors or upon a petition signed by at least twenty-five percent (25%) of the Total Association Vote. The notice of any special meeting shall state the date, time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting, except as stated in the notice.

Section 4. Notice of Meetings. It shall be the duty of the Secretary to mail or to cause to be delivered to the Owner of each Lot (as shown in the Association’s records) a notice of each annual or special meeting of the Association stating the date, time, date and place where it is to be held, and in the notice of a special meeting, the purpose of the special meeting, as well as the time, date and place where it is to be held. Such notice shall be delivered personally or sent by United States mail, postage prepaid. If an Owner wishes notice to be

given at an address other than his or her Lot, such Owner shall designate by notice in writing to the Secretary such other address. The mailing or delivery of a notice of meeting in the manner provided in this Section shall be considered service of notice. Notices shall be served at least twenty-one (21) days in advance of any annual or regularly scheduled meeting, and at least seven (7) days in advance of any other meeting (which shall include, but shall not be limited to, special meetings).

Section 5. Waiver of Notice. Waiver of notice of a meeting of the members shall be deemed the equivalent of proper notice. Any member may, in writing, waive notice of any meeting of the members, either before or after such meeting. Attendance at a meeting by a member, whether in person or by proxy, shall be deemed a 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.

Section 6. Adjournment of Meetings. If any meetings of the Association cannot be held because a quorum is not present, a majority of the members who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. If the new date, time, and place is announced at the original meeting before adjournment, then notice need not be given of the new date, time or place. At such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 7. Voting. The voting rights of the members shall be as set forth in the Articles of Incorporation and the Declaration, and such voting rights are specifically incorporated herein. Unless otherwise required by the Declaration, the affirmative vote of a Majority of the votes cast at a meeting at which a quorum is present shall be the act of the Membership.

Section 8. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing, dated and filed with the Secretary before the appointed time of each meeting. No such proxy shall be revocable except by written notice delivered to the Secretary of the Association by the respective member. A proxy shall be automatically revoked if the member who has given such proxy is in attendance at the meeting. A proxy shall also automatically be revoked upon the conveyance by an Owner of his Lot and no proxy shall be valid after eleven (11) months from the date of its execution.

Section 9. Quorum. The presence, in person or by proxy, of twenty-five percent (25%) of the total eligible Association vote shall constitute a quorum at all meetings of the Association. In the event a quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the quorum required at the first meeting. The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

Section 10. Action Without a Formal Meeting. Any action which may be taken by a vote of the Members may also be taken by written consent, without a meeting, provided, that such action is taken in accordance with the provisions of the Georgia Non-Profit Corporation Code.

Section 11. Action by Written Ballot. Any action to be taken at any annual, regular or special meeting of members may be taken without a meeting if approved by written ballot as provided herein. The Association shall deliver a written ballot to each member entitled to vote on the matter. The written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval by written ballot of an action shall only be valid when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting held to authorize such action and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. All solicitations for votes by written ballot shall indicate the number of responses needed to meet the quorum requirements; state the percentage of approvals necessary to approve such matter other than the election of directors; and specify the time by which a ballot must be received by the Association in order to be counted. A timely written ballot received by the Association may not be revoked without the consent of the Board of Directors. The results of each action by written ballot shall be certified by the Secretary and shall be included in the minutes of meetings of members filed in the permanent records of the Association.

## ARTICLE III

### Board of Directors: Number, Powers, Meetings

#### A. Composition and Selection.

Section 1. Governing Body; Composition. The affairs of the Association shall be governed by a Board of Directors. The directors must reside in the Community and shall be members or spouses of such members; provided, however, no person and his or her spouse may serve on the Board at the same time.

Section 2. Number of Directors. The Board shall consist of six (6) members, with at least three (3) members from Evonvale and three (3) members from Montgrove. The initial Board shall consist of six (6) members. .

Section 3. Nomination of Directors Elected directors shall be nominated from the floor and may also be nominated by a nominating committee, if such a committee is established by the Board. All candidates shall have a reasonable opportunity to communicate their qualifications to the members and to solicit votes.

Section 4. Election and Term of Office. Directors shall be elected and hold office as follows:

(a) At annual meetings of the membership. All eligible members of the Association shall vote on all directors to be elected, and the candidate(s) receiving the most votes shall be elected.

(b) The initial term of one-half (1/2) of the members of the Board shall be fixed at one (1) year and the initial term of the remaining one-half (1/2) of the members of the Board shall be fixed at two (2) years. At the expiration of the initial term of office of each respective member of the Board of Directors, a successor shall be elected to serve for a term of two (2) years. The members of the Board of Directors shall hold office until their respective successors shall have been elected by the Association.

Section 5. Removal of Directors. At any regular or special meeting of the Association duly called, any one or more of the members of the Board of Directors may be removed, with or without cause, by a majority of the Total Association Vote and a successor may then and there be elected to fill the vacancy thus created. A director whose removal has been proposed by the Owners 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. Additionally, any director who has three (3) consecutive unexcused absences from Board meetings or who is delinquent in the payment of an assessment for more than thirty (30) days may be removed by a majority vote of the directors at a meeting, a quorum being present.

Section 6. Vacancies. Vacancies in the Board of Directors caused by any reason, excluding the removal of a director by vote of the Association, shall be filled by a vote of the majority of the remaining directors, even though less than a quorum, at any meeting of the Board of Directors. Each person so selected shall serve the unexpired portion of the term.

Section 7. Deadlock. In the event that the Board of Directors are deadlocked as a result from any vote of the directors, in which a majority vote is required by these Bylaws or the Georgia Act, and the members are unable to break the deadlock, the directors shall agree on an independent arbitrator whose business address shall be within the metropolitan area of Atlanta, Georgia, to whom the deadlocked issue shall be referred and whose decision in respect thereto shall be binding upon the directors and the Association. If the directors are unable to mutually select an independent arbitrator, then each set of Deadlocked shall select one arbitrator, to whom the deadlocked issue shall be referred. If the two arbitrators are unable to break the deadlock, the two arbitrators shall appoint a third independent arbitrator, whose decision shall be final and conclusive upon the directors and the Association. The arbitrator(s) shall be governed by the commercial arbitration rules then in effect of the American Arbitration Association. The directors agree to cooperate fully with the arbitrator(s) in seeking resolution of the deadlock.

B. Meetings.

Section 1. Organization Meetings. The first meeting of the Board of Directors following each annual meeting of the membership shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Board.

Section 2. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least four (4) such meetings shall be held during each fiscal year with at least one per quarter. Notice of the regular schedule shall constitute sufficient notice of such meetings.

Section 3. Special Meetings. Special meetings of the Board of Directors shall be held when requested by the President, Vice President or by any two (2) directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by one of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by telephone communication, either directly to the director or to a person at the director's home or office who would reasonably be expected to communicate such notice promptly to the director; (d) by telegram, charges prepaid; or (e) by commercial delivery service to such director's home or office. All such notices shall be given or sent to the director's address or telephone number as shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph company shall be given at least forty-eight (48) hours before the time set for the meeting.

Section 4. Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed or wherever 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 shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 5. Quorum of Board of Directors. At all meetings of the Board of Directors, 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 of Directors. 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 cannot be held because a quorum is not present, a majority of the directors who are present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time that the original meeting was called. At such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 6. Compensation. No director shall receive any compensation from the Association for acting as such. However, any director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

Section 7. Open Meetings. All meetings of the Board shall be open to all members, but members other than directors may not participate in any discussion or deliberation unless expressly so authorized by the Board.

Section 8. Executive Session. The Board may adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive sessions shall first be announced in open session.

Section 9. 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, shall be signed by all of the directors.

Section 10. Telephonic Participation. Directors may participate in and vote during any regular or special meeting of the Board by telephone conference call or similar communication equipment by means of which all persons participating in the meeting can hear each other at the same time, and those directors so participating shall be present at such meeting. Any such meeting at which a quorum participates shall constitute a regular meeting of the Board.

Section 11. Adjournments. A meeting of the Board of Directors, whether or not a quorum is present, may be adjourned by a majority of the directors present, to reconvene at a specific time and place. It shall not be necessary to give notice of the reconvened meeting or of the business to be transacted, other than by announcement at the meeting which was adjourned. At any such reconvened meeting at which a quorum is present, any business may be transacted which could have been transacted at the meeting which was adjourned.

C. Powers and Duties

Section 1. Powers. The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not by the Declaration, Articles, or these Bylaws directed to be done and exercised exclusively by the members. In addition to the duties imposed by these Bylaws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the power to and be responsible for the following, in way of explanation, but not limitation:

- (a) Preparation and adoption of an annual budget in which there shall be established the contribution of each owner to the common expenses;
- (b) Making assessments to defray the common expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessment;
- (c) Providing for the operation, care, upkeep and maintenance of all areas which are the maintenance responsibility of the Association;
- (d) Designating, hiring, and dismissing the personnel necessary for the operation of the Association and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties;
- (e) Collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association;
- (f) Making and amending use restrictions and rules and regulations;
- (g) Opening of bank accounts on behalf of the Association and designating the signatories required;
- (h) Enforcing by legal means the provisions of the Declaration, these Bylaws, and the rules and regulations adopted by it, and bring any proceedings which may be instituted on behalf of or against the Owners concerning the Association;
- (i) Obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;
- (j) Paying the cost of all services rendered to the Association or its members which are not directly chargeable to Owners;



(k) Keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, and specifying the maintenance and repair expenses and any other expenses incurred; and

(l) Contracting with any person for the performance of various duties and functions. The Board shall have the power to enter into common management agreements with trusts, condominiums, or other associations. Any and all functions of the Association shall be fully transferable by the Board, in whole or in part, to any other entity.

(m) Making or causing to be made additional improvements on and as a part of the common area;

(n) Granting or withholding approval of any action by one (1) or more Lot owners or other persons entitled to occupancy of any Lot if such action would change the exterior appearance of any Lot, or any structure thereon, or of any other portion of the development, or electing or providing for the appointment of an architectural control committee to grant or withhold such approval;

(o) Granting easements, leases and licenses through or over the common area, accepting easements, leases and licenses benefiting the development or any portion thereof, and acquiring or leasing property in the name of the Association;

(p) Acquiring, leasing and owning in its own name property of any nature, real, personal or mixed, tangible or intangible, borrowing money, and pledging, mortgaging or hypothecating all or any portion of the property of the Association for any lawful purpose within the Association's inherent or expressly granted powers; and

(q) Amending the Declaration, the Articles of Incorporation, and these Bylaws in such respects as may be required to conform to mandatory provisions of the Georgia Property Owners' Association Act or of any other applicable law without a vote of the Lot Owners.

Section 2. Management Agent. The Board of Directors may employ for the Association a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to the managing agent or manager, subject to the Board's supervision, all of the powers granted to the Board of Directors by these By-Laws. The term of any management agreement shall not exceed one year and shall be subject to termination by either party, without cause and without penalty, upon thirty (30) days' written notice.

Section 3. Borrowing. The Board of Directors shall have the power to borrow money for the purpose of repair or restoration of the Common Property and facilities without the approval of the members of the Association; provided, however, the Board shall obtain membership approval in the same manner as for special assessments, in the event that the proposed borrowing is for the purpose of modifying, improving, or adding amenities, and the total amount of such borrowing exceeds or would exceed Ten Thousand Dollars (\$10,000.00) outstanding debt at any one time.

Section 4. Fining Procedure. The Board shall not impose a fine (a late charge shall not constitute a fine) unless and until the following procedure is followed:

(a) Notice. Written notice shall be served upon the violator by personal delivery or sent first-class or certified mail sent to the last address of the member shown on the Association's record, specifying:

(i) The nature of the violation, the fine to be imposed and the date, not less than ten (10) days from the date of the notice, that the fine will take effect;

(ii) That the violator may, within ten (10) days from the date of the notice, request a hearing regarding the fine imposed;

- (iii) The name, address and telephone numbers of a person to contact to challenge the fine;
- (iv) That any statements, evidence, and witnesses may be produced by the violator at the hearing; and
- (v) That the rights to have the fine reconsidered are waived if a hearing is not requested within ten (10) days of the date of the notice.
- (b) Hearing. If a hearing is requested, it shall be held before the Board in executive session, and the violator shall be given a reasonable opportunity to be heard. The minutes of the meeting shall contain a written statement of the results of the hearing.

## ARTICLE IV

### Offices

Section 1. Officers. The officers of the Association shall be a President, Vice President, Secretary and Treasurer. Any two (2) or more offices may be held by the same person, except the offices of the President and Secretary. The President and Treasurer shall be elected from among the members of the Board of Directors. The Board of Directors may elect such other officers' including one or more Assistant Secretaries and one or more Assistant Treasurer, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board of Directors.

Section 2. Election, Term of Office and Vacancies. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the members. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 3. Removal. Any officer may be removed by the Board of Directors whenever, in its judgment, the best interests of the Association will be served thereby.

Section 4. President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the Association and of the Board of Directors. The President shall have all the general powers and duties which are incident to the office of the president of a corporation organized under the Georgia Nonprofit Corporation Code.

Section 5. Vice President. The Vice President shall act in the President's absence and shall have all powers, duties and responsibilities provided for the President when so acting.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Association and of the Board of Directors and shall have charge of such books and papers as the Board of Directors may direct and shall, in general, perform all duties incident to the office of the secretary of a corporation organized in accordance with Georgia law.

Section 7. Treasurer. The Treasurer shall have the responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, for preparing all required financial statements and tax returns, and for the deposit of all monies and other valuable effects in the name of the Association or the managing agent in such depositories as may from time to time be designated by the Board of Directors.

Section 8. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors. 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.

## ARTICLE V

### Committees

Committees to perform such tasks and to serve for such periods as may be designated by the Board are hereby authorized. Each committee shall be composed and shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors. Vacancies in the membership of any committee may be filled by appointments made in the same manner as the original appointments. Unless otherwise provided in the resolution of the Board of Directors designating a committee, the presence of a majority of the committee members shall constitute a quorum. The act of a majority of the members of a committee shall be the act of the committee. Each committee may adopt rules for its own operation so long as such rules are approved by the Board of Directors and are not inconsistent with the Declaration, the By-Laws or the rules adopted by the Board of Directors.

## ARTICLE VI

### Miscellaneous

Section 1. Fiscal Year. The fiscal year of the Association shall be determined by resolution of the Board. In the absence of such a resolution, the fiscal year shall be the calendar year.

Section 2. Conflicts. If there are conflicts or inconsistencies between the provisions of Georgia law, the Articles of Incorporation, the Declaration, and these Bylaws, the provisions of Georgia law, the Declaration, the Articles of Incorporation and these Bylaws (in that order) shall prevail.

Section 3. Amendment. These Bylaws may be amended upon the affirmative vote or written consent, or any combination thereof, of at least, two-thirds (2/3) of the Total Association Vote.

Section 4. Books and Records. The Association shall keep correct and complete books and records of the Association and its account and shall keep minutes of all proceedings of the Board of Directors and committees having any authority of the Board of Directors. The books and records of the Association shall be available for inspection by Members in accordance with the Declaration.