



**BY-LAWS OF  
MAGNOLIA PLANTATION PROPERTY OWNERS' ASSOCIATION, INC.**

**ARTICLE I  
NAME AND LOCATION**

1.1 The name of the association shall be:

MAGNOLIA PLANTATION PROPERTY OWNERS' ASSOCIATION, INC. (hereinafter referred to as The Association).

1.2 The principal office of the Association is presently located at 4400 Highway 20 East, Suite 212, Niceville, FL 32578. The Association may have offices at such other place as the Board of Directors may from time to time determine.

1.3 The Association has been organized for the purpose of accepting title to and maintaining the property to become common area, including the roads and lakes of Magnolia Plantation at Bluewater Bay, the easements, any fountains, entrance features, guard houses, access gates, landscaping, sprinkler systems or other facilities which may be constructed on or adjacent to the roads and the easements of Magnolia Plantation and to do all things necessary or convenient in the management and administration of the purposes of the corporation as set forth in the Articles of Incorporation.

**ARTICLE II  
MEMBERS, MEMBERSHIP, MEETINGS, VOTING AND PROXIES**

2.1 As is set forth in the Articles of Incorporation of this Association, and in the Declaration of Covenants, Conditions and Restrictions regarding the subject property, the membership of Magnolia Plantation Property Owners' Association, Inc. shall be as follows:

The owners of residential units in Magnolia Plantation shall be members of this Association, and no other persons or entities shall be entitled to membership, except the Developer. Any successor of Developer by foreclosure or by deed in lieu of foreclosure may exercise the Developer's rights in these By-Laws.

2.2 In the event that any single residential unit as defined in Article II of the Articles of Incorporation is owned by any two or more persons as tenants in common, by the entirety or other form of joint ownership, then such persons collectively shall be entitled to only one vote as a member of the Association.

2.3 Membership shall be established by the acquisition of ownership of fee title to or fee interest in a residential unit whether by conveyance, devise or judicial decree. The new owner designated in such deed or such other instrument, shall thereupon become a member of the Association, and the membership of the prior

owner as to the residential parcel designated, shall be terminated. The new owner shall deliver to the Association, a true copy of such deed or instrument of acquisition of title.

2.4 The share of a member in the funds and assets of the Association, and membership in this Association cannot be assigned, hypothecated, transferred in any manner except as an appurtenance to the residential unit.

2.5 In no event, shall the membership in the Association exceed the numbers of units constructed, plus those on which the Developer has assumed responsibility.

2.6 Each owner, as defined in Article 1, Section 4, of the Declaration, shall be entitled to one vote, except the Developer will be entitled to 3 votes for each unit owned.

2.7 The annual members meeting shall be held at the office of the Association or at such place as is designated by the Board of the Association. The meeting will be held during the fourth calendar quarter of each year as determined by the Board commencing in the year 1994 for the purpose of hearing reports of the officers, election of Directors and transacting any other business authorized to be transacted by the members. The Board of Directors shall set the date, time and place of the annual meeting.

2.8 Special meetings of the members shall be held at any place within Okaloosa County whenever called by the President or Vice-President or by a majority of the Board and must be called by such officers upon receipt of a written request from one-third of the entire membership.

2.9 Notice of all members meetings stating the time and place and the purpose for which the meeting is called shall be given by the President or Vice-President or Secretary unless waived in writing as herein set forth. Such notice shall be in writing to each member at his address as it appears on the books of the Association and shall be mailed, by regular mail, or delivered by hand not less than ten days nor more than thirty days prior to the date of the meeting. Proof of such mailing and/or service shall be by the affidavit of the person giving the notice. Notice of meeting may be waived by any member before, during or after meetings by the signing of a document setting forth the waiver by such member.

2.10 A quorum at members meetings shall consist of persons entitled to cast a majority of the votes of the entire membership in person or by proxy. The joinder of a member in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such member for the purpose of determining a quorum. When a quorum is present at any meeting, the holders of the majority of the votes shall be required to decide any question brought before the meeting.

2.11 If any meeting of members cannot be organized because a quorum is not in attendance, the members who are present may adjourn the meeting from time to time until a quorum is present.

2.12 The order of business at the annual members meeting, and as far as practicable, at all other members meetings shall be: (a) call of the roll; (b) proof of notice of meeting or waiver of notice; (c) reading and disposal of any unapproved minutes; (d) reports of manager and officers; (e) reports of committees; (f) election of Directors; (g) unfinished business; (h) new business; (i) adjournment.

### ARTICLE III BOARD OF DIRECTORS

3.1 The first Board of Directors as described in ARTICLE X of the Articles of Incorporation shall

consist of not less than three persons. The first Board of Directors shall be appointed by the Developer. All Boards elected by the members shall consist of not less than three nor more than nine Directors, each elected member to be members of the Association.

3.2 Election of the members of the Board shall be conducted in the following manner:

- a. In accordance with the Articles of Incorporation.
- b. Election of the Directors shall be by a plurality of votes. The nominees who receive the greatest plurality of votes cast at the annual members meeting shall be elected to the Board.
- c. Each "Parcel", as that term is defined in the Master Declaration of Covenants, Conditions, and Restrictions for Magnolia Plantation at Bluewater Bay, shall vote separately. Each shall have two representatives on the Board of Directors, except that even after the Developer has sold all units within the property, Developer may sit as an at-large member of the Board.
- d. Vacancies caused by death, resignation, removal or incapacity of a Director shall be filled by the remaining Directors from the same parcel to serve until the election and qualification of a successor at the next annual members meeting.

3.3 The term of each Director's service shall be as follows:

- a. The first Board shall serve as described in the Articles of Incorporation.
- b. All members of the Boards elected after the first Board shall serve for a two year term, until successors are duly elected and qualified, or until removed in a manner elsewhere provided.

3.4 Nothing contained herein shall diminish the right of the Developer to appoint and designate and elect all of the members of the Board of Directors until a majority of the units are constructed and sold.

3.5 A Director elected or appointed as provided in the Articles of Incorporation may be removed from office upon the affirmative vote of two-thirds of the members of the parcel which he represents for any reason deemed by the members to be detrimental to the best interest of the Association; provided, however, before any Director is removed from office, he shall be notified in writing that a motion to remove him will be made prior to the meeting at which said motion is made, and such Director shall be given an opportunity to be heard at such meeting, should he be present, prior to the vote on his removal. A Director elected or appointed by the Developer may be removed only by the Developer and his successor named only by the Developer.

3.6 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. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegraph at least three days prior to the day named for such meeting unless such notice is waived.

3.7 Special meetings of the Directors may be called by the President or Vice-President and must be called by the Secretary at the written request of one-third of the votes of the Board of Directors; not less than

three days notice of the meeting shall be given personally, by mail, or by telegraph, which notice shall state the time, place and purpose of the meeting.

3.8 Any Director may waive notice of the meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice.

3.9 A quorum of the Directors meeting shall consist of the Directors entitled to cast a majority of the votes of the entire Board of Directors. The acts of the Board approved by a majority of the Board present at a meeting at which a quorum is present, shall constitute the act of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

3.10 The presiding officer at a Board of Directors meeting shall be the President. In the absence of the presiding officer, the Directors present shall designate anyone of their number to preside.

#### ARTICLE IV OFFICERS

4.1 Executive officers of the Association shall be a President, who shall be a member of the Board of Directors, Vice-President (if needed), Treasurer and Secretary, all of whom shall be elected annually by the Board of Directors and who may be peremptorily removed by vote of the Directors at any meeting. The Board of Directors shall, from time to time, elect such other officers and assistant officers and designate their powers and duties as the Board of Directors shall find to be required to manage the affairs of the Association.

4.2 The President shall be the Chief Executive Officer of the Association. He shall have all of the powers and duties which are usually vested in the office of the President of an Association, including, but not limited to, the power to appoint committees from among the members from time to time, as he may, in his discretion, determine appropriate, to assist in the conduct of the affairs of the Association. He shall preside at all meetings of the members of the Board.

4.3 The Vice-President, in the absence or disability of the President, shall exercise the powers and perform the duties of the President. The Vice President shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Directors. In the event there shall be more than one Vice-President elected by the Board, then they shall be designated "First" and "Second", etc., and shall exercise the powers and perform the duties of the Presidency in such order.

4.4 The Secretary shall keep the minutes of all proceedings of the Directors and the members. He shall have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed. The Secretary shall keep the records of the Association, except those of Treasurer, and shall perform all of the duties incident to the office of the Secretary of an Association as may be required by the Directors or the President. The Assistant Secretary, if any, shall perform the duties of the Secretary when the Secretary is absent and shall assist the Secretary.

4.5 The Treasurer shall have custody of all the property of the Association, including funds, securities and evidence of indebtedness. The Treasurer shall keep the assessment rolls and accounts of the members; shall keep the books of the Association in accordance with good accounting practices; and shall perform all of the duties incident to the office of Treasurer. The Assistant Treasurer, if any, shall assist the Treasurer.

4.6 The compensation, if any, of all officers and employees of the Association, shall be fixed by the Directors.

## **ARTICLE V POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

All of the powers and duties of the Association shall be exercised by the Board of Directors. Such powers and duties of the Directors shall include, but not be limited to, the following:

- 5.1 Make and collect assessments against members to defray the costs of the Association.
- 5.2 To use the proceeds of assessments in the exercise of its powers and duties.
- 5.3 The maintenance, repair, replacement and operation of the Roads and Areas of Common Responsibility.
- 5.4 To make and amend regulations with respect to the use of the roads, lakes, and other common property at Magnolia Plantation at Bluewater Bay. To enforce, by legal means, the purposes of the Association, as set forth in the Articles of Incorporation. To pay taxes and assessments which are liens against any property of the Association other than the individual residential parcels and appurtenances thereto, and access the same against the individual residential parcels subject to such liens.

## **ARTICLE VI DUTIES OF THE ASSOCIATION AND ASSESSMENTS**

- 6.1 The Association shall have the duty and responsibility to perform the following functions:
  - a. To maintain any landscaping on the roads and easement as well as any sprinkler systems located therein.
  - b. To maintain the roads, lakes, areas of common responsibility and the easements.
  - c. To maintain any limited access gates installed on the roads and easement in order to control access to and from Magnolia Plantation at Bluewater Bay.
  - d. To maintain any street lighting system installed by the Developer or its contractor on or adjacent to the easement.
  - e. To maintain individual units in accordance with the terms of the Declaration described in Section 6.5 hereof.
- 6.2 To accomplish the foregoing, the Association will assess each owner of a residential parcel, equally; however, parcel assessments may be made differently for each parcel, but will be equal within each parcel.
- 6.3 All owners of residential parcels shall be obligated to pay their proportionate share of the foregoing services and other charges or fees otherwise provided for in the Articles of Incorporation, whether or not the obligation to make such payments is specifically expressed in any deed or other conveyance of the title to such residential parcel.

6.4 Each member of the Association shall be obligated to pay all annual and special assessments as are more specifically set forth in the Declaration of Covenants, Conditions and Restrictions of Magnolia Plantation of Bluewater Bay which are recorded in the Public Records of Okaloosa County, Florida, in Book 1802, Page 574.

6.5 The delineation of the services herein is merely an expression of the type of services to be provided and any costs reasonably incurred incidental thereto, shall be assessed against the owners.

6.6 The Association shall have, and is hereby given a lien on each residential parcel for the amount of any unpaid assessment, and interest thereon, at the maximum legal rate from the date the same is past due until paid, together with reasonable attorneys' fees and court costs. The said lien may be enforced in the same manner as a mortgage thereon and may be foreclosed. Provided, however, that any lien created pursuant to the Declaration of Covenants, Conditions and Restrictions or by these By-Laws of the Association, shall not exist or otherwise be effective until the Claim of Lien is filed by the Association in the Public Records of Okaloosa County, Florida, making specific reference to the Declaration of Covenants, Conditions and Restrictions. Said lien shall be superior only to such liens or other encumbrances as may be filed of record, subsequent to the filing of the said Claim of Lien. The respective owners, members of the Association, agree to pay court costs and reasonable attorney's fees incurred by the Association in enforcing the provisions hereof against such owner.

## ARTICLE VII FISCAL MANAGEMENT

The provisions for assessments and related matters set forth in the Articles of Incorporation and the Declaration of Covenants, Conditions and Restrictions shall be supplemented by the following provisions:

7.1 A set of accounting books in which there shall be an account for each residential parcel owner shall be maintained. Such an account shall designate the name and address of the owner or owners of each residential parcel, the account of each assessment against the owner, the date and the amounts on which the assessments become due, the amounts paid upon the accounts and the balance due upon assessments.

## ARTICLE VIII BUDGET

8.1 The Board of Directors shall adopt a budget for each calendar year which shall contain estimates of the costs of performing the functions of the Association, including but not limited to the following items:

a. Common expense budget which will contain expenses for

Administrative and personnel services	Utilities
Services	Insurance
Materials and supplies	Contingency reserve
Fees	
Repairs and maintenance	

b. Area of common responsibility expense budget (shall be uniform within each parcel).

8.2. Copies of the proposed budget and any proposed assessment shall be transmitted to each member thirty days prior to the commencement of each fiscal year. If the budget subsequently is amended, then a copy of the amended budget shall be furnished to each member concerned.

- 8.3 In administering the finances of the Association, the following procedures shall govern:
- a. The fiscal year shall be the calendar year.
  - b. Any income received by the Association (including the regular assessments and interim assessments) shall be used by the Association to pay expenses incurred; any excess shall be applied to future expenses incurred.
  - c. There shall be apportioned between calendar years on a prorata basis, any expenses which are prepaid in any one calendar year; for example, insurance, taxes, etc.
  - d. Common expenses incurred in a calendar year shall be charged against income for the same calendar year, regardless of when the bill for such common expense is received. Notwithstanding the foregoing, regular and/or interim assessments shall be of sufficient magnitude to insure an adequacy of cash availability to meet all budget expenses in any calendar year, as such expenses are incurred in accordance with cash basis method of accounting. The cash basis method of accounting shall conform to the generally accepted accounting standards and principals applicable thereto.

8.4 The depository of the Association shall be such bank or banks as shall be designated from time to time by the Board of Directors and in which the monies of the Association shall be deposited. Withdrawal of the monies from such account shall be only by checks signed by such persons as authorized by the Board of Directors.

8.5 The accounts of the Association shall be examined periodically by an auditor, accountant, or certified public accountant upon the request of the Board of Directors. A copy of the report shall be made available to each member.

#### **ARTICLE IX PARLIAMENTARY RULES**

9.1 Robert's Rules of Order (latest edition) shall govern the conduct of meetings of this Association when not in conflict with the Articles of Incorporation or these By-Laws.

#### **ARTICLE X AMENDMENTS**

10.1 These By-Laws may be amended in the manner provided in the Articles of Incorporation. However, only two-thirds approval of the membership shall be required to amend these By-Laws.

10.2 An amendment may be proposed by either the Board of Directors or by the membership of the Association, and after being proposed by one of such bodies, it must be approved by the membership as above set forth.

10.3 No modification or amendment to these By-Laws shall be adopted which would affect or impair the validity or priority of any approved mortgage, or the rights of the Developer.

IN WITNESS WHEREOF, the undersigned By-Laws were executed on this 3<sup>rd</sup> day of May, 1994.

MAGNOLIA PLANTATION AT BLUEWATER BAY  
By EMCA FOREST INVESTORS, LTD

Linda B. Davis  
Witness

By [Signature]  
Raimund Herden, General Partner

Barde P. Lumsden  
Witness

STATE OF FLORIDA  
COUNTY OF OKALOOSA

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments personally appeared Raimund Herden, well known to me to be the General Partner of EMCA Forest Investors, Ltd. and he signed the foregoing freely and voluntarily under authority duly vested in him by said corporation.

WITNESS MY HAND AND OFFICIAL SEAL in the County and State last aforesaid this 3<sup>rd</sup> day of May, 1994.

[Signature]  
Notary Public

