

BYLAWS FOR
MAGNOLIA RIDGE SUBDIVISION
FAYETTEVILLE, GEORGIA

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BYLAWS
OF
MAGNOLIA RIDGE HOMEOWNERS ASSOCIATION, INC.

Article I
Name, Membership, Applicability, and Definitions

1.01 Name. The name of the Association shall be Magnolia Ridge Homeowners Association, Inc. (hereinafter sometimes referred to as the “Association”).

1.02 Membership. The Association shall have one (1) class of membership, as is more fully set forth in that Declaration of Protective Covenants for Magnolia Ridge (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.

1.03 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

2.01 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.

2.02 First Meeting and Annual Meetings. An annual meeting of the members shall be held within one (1) 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.

2.03 Special Meetings. The President or the Board of Directors may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association upon the delivery of a petition signed and dated by members entitled to cast 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 those matters that are within the purpose or purposes described in the notice.

2.04 Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting. Notice will be sent by U. S. Mail, postage prepaid or delivered personally at least 21 days prior to annual or regularly scheduled meetings and 7 days prior to all other meetings. They will be addressed to the member's address last recorded on the records of the Association, or supplied by

such member to the Association for the purpose of notice. Such notice shall specify the place, day, hour, and purpose of the meeting. (Georgia Property Owners Association Act (GaPOA) 44-3-230)

2.05 Waiver of Notice. 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.

2.06 Adjournment of Meetings. A meeting may be adjourned by a majority vote of the members represented at such meeting, whether or not a quorum is present.

2.07 Membership List. After the record date for any meeting is established by the Board of Directors, the Secretary shall prepare an alphabetical list of the names and addresses of all of the members who are entitled to notice of the meeting. Beginning at least five business days after notice is given of the meeting for which the list was prepared, the list of members shall be available for inspection by any member or a member's agent or attorney at the Association's principal office or at such other reasonable place as may be specified in the notice. In addition, the list shall be available for inspection at the meeting or any adjournment thereof.

2.08 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.

2.09 Proxies. At all meetings of members, each member may vote in person, by absentee ballot or by proxy. All proxies shall be in writing and filed with the Secretary. All proxies will be meeting specific. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his/her lot.

2.10 Quorum. The presence, in person or by proxy, of members entitled to cast more than one third (1/3) of the votes entitled to be cast at the meeting shall constitute a quorum at all meetings of the Association not specifically addressed in Article XIII of the Declaration. 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. (GaPOA 44-3-228)

2.11 Voting By Written Ballot. Any vote taken at any annual, regular or special meeting of members shall be conducted by secret ballot.

Article III

Board of Directors: Number, Powers, Meetings

A. Composition and Selection.

3.01 Governing Body: Composition. The affairs of the Association shall be governed by a Board of Directors. Directors shall be natural persons who are eighteen (18) years

of age or older. Each director must reside in the Community. No two people living in the same household may serve on the Board at the same time.

3.02 Number of Directors. The Board shall consist of five (5) members.

3.03 Nomination of Directors. Nomination for election to the Board of Directors shall be made by a nominating Committee. Nominations may also be made from the floor at the annual meeting. The nominating committee shall consist of a chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members to serve from the close of such annual meeting until the close of the next annual meeting. The Nominating Committee shall make as many nominations for election of the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies to be filled.

3.04 Election and Term of Office. Member-elected directors shall be elected by secret written ballot and hold office as follows:

(a) The Association shall call a special meeting and the members shall elect five (5) directors. Member-elected directors shall serve staggered terms. Initially the term of three (3) directors shall be fixed at one (1) year, the term of two (2) directors shall be fixed at two (2) years. At the expiration of the initial term of office of each respective member-elected director, 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 and take office. The length of the initial term of office for each board member shall be determined by the number of votes each receives. The greater the number of votes, the longer the initial term.

(b) At annual meetings of the membership thereafter, directors shall be elected as necessary to fill expiring terms. The candidate(s) receiving the most votes shall be elected.

3.05 Removal of Directors. At any annual, regular or special meeting of the Association, any one (1) or more of the members of the Board of Directors elected by the members 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. The notice of the meeting shall state that the purpose, or one of the purposes, of the meeting is removal of a director. A director whose removal by the members has been proposed shall be given an opportunity to be heard at the meeting. Additionally, any director who has three (3) unexcused absences within the current term 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 remaining directors.

3.06 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. Each Person so selected shall serve until the next annual meeting. The members will then elect a new Board Member for that position to fulfil the unexpired portion of the term.

B. Meetings.

3.07 Organization Meetings. The first meeting of a newly elected Board of Directors shall be held within ten (10) days after such election at such time and place as the directors may conveniently assemble.

3.08 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 the Board, but at least four (4) such meetings shall be held during each fiscal year with at least one (1) per quarter. Notice of the regular schedule to the members shall constitute sufficient notice of such meetings.

3.09 Special Meetings. Special meetings of the Board of Directors shall be held when requested by the President, Vice President or by any three (3) directors. The notice shall specify the date, 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 (including commercial delivery service) to such director's home or office; (b) written notice by first class mail, postage prepaid; or (c) by telephone communication (including telecopier), 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. 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 with the U.S. Postal Service at least seven (7) days before the time set for the meeting. Notices given by personal delivery or telephone shall be given at least four (4) days before the day set for the meeting.

3.10 Waiver of Notice. The business transacted at 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 which is included in the minutes or filed with the official records of the Association. 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.

3.11 Quorum of Board of Directors. At all meetings of the Board of Directors, persons entitled to cast one half of the votes 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. (GaPOA 44-3-228)3.12

3.12 Compensation. No director shall receive any compensation from the Association for acting as such.

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

3.14 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 session shall first be announced in open session.

3.15 Action Without A Formal Meeting. Any action required or permitted to be taken at a meeting of the directors may be taken without a meeting if two or more consent, in writing, setting forth the action so taken. It shall be signed by a majority of the directors and delivered to the Association for inclusion in the minutes for filing in the corporate records.

C. Powers and Duties.

3.16 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 law, the Declaration, Articles, or these Bylaws directed to be done and exercised 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 member to the common expenses. Funds must be used exclusively as appropriated. The annual budget shall be presented to and approved by the members at the annual meeting;
- (b) making assessments to defray the common expenses, and establishing the means and methods of collecting such assessments in accordance with the Declaration;
- (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 assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association;
- (f) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- (g) opening of bank accounts on behalf of the Association and designating the signatories required. All checks and withdrawals shall require a minimum of two signatories;
- (h) enforcing by legal means the provisions of the Declaration, these Bylaws, and the rules and regulations adopted by it, and bringing any proceedings which may be instituted on behalf of or against the members concerning the Association;

(i) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof. Cause and pay the expense of all officers or employees having fiscal responsibilities to be bonded as it may deem appropriate;

(j) keeping books with detailed accounts of the receipts and expenditures of the Association and the actions thereof, and specifying the maintenance and repair expenses and any other expenses incurred;

(k) causing to be kept a complete record of its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested;

(l) causing the books, records and papers of the Association to be subject at all times, during reasonable business hours, to inspection by any member, or by holders of first mortgages on any portion of the properties;

(m) contracting with any Person for the performance of various duties and functions; and

(n) issuing receipts to each payer in letterform for all assessments received.

3.17 Management Agent. The Board of Directors may employ for the Association a professional management agent or agents at compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The term of any management agreement shall not exceed one (1) year and shall be subject to termination by either party, without cause and without penalty, upon ninety (90) days' written notice.

3.18 Contractual Agreements. The Board of Directors may employ by contract for the Association, companies or persons for the performance various duties and services as the Board of Directors shall authorize. The term of any contract shall not exceed (1) year and shall be subject to termination by either party, without cause or penalty, upon written notice not to exceed (90) days.

3.19 Fining or Suspension Procedure.

(a) Should a lot owner fail to meet the annual assessment requirement, the personal obligation of the lot owner and the lien for assessments shall include:
(GaPOA 44-3-232 b)

(1) A late or delinquency charge not in excess of the greater of \$10.00 or 10% whichever is less; (GaPOA 44-3-232 b,1)

(2) At a rate not in excess of 10 percent per annum, interest on each assessment or installment thereof and any delinquency or late charge pertaining thereto from the date the same was first due and payable; (GaPOA 44-3-232 b,2)

(3) The costs of collection, including court costs, the expenses required for the protection and preservation of the lot, and reasonable attorney's fees actually incurred; and (GaPOA 44-3-232 b,3)

(4) Fair rental value of the lot from the time of the institution of an action until the sale of the lot at foreclosure or until judgement rendered in the action is otherwise satisfied. (GaPOA 44-3-232 b,4)

(b) The Board shall not impose a fine (a late charge shall not constitute a fine) lien, or suspend a member's right to vote or to use any part of the Common Property unless and until the following procedure is followed:

(1) Notice. Written notice shall be served upon the violator by certified mail, return receipt requested sent to all addresses of the member shown on the Association's records, specifying: (GaPOA 44-3-232 c)

(i) the nature of the violation, the fine or suspension to be imposed and the date, not less than fifteen (15) days from the date of mailing, that the lien, fine or suspension will take effect; (GaPOA 44-3-232 c)

(ii) that the violator may, within fourteen (14) days from the date of mailing, request a hearing regarding the fine or suspension imposed;

(iii) the name, address and telephone number of a person to contact to challenge the fine or suspension;

(iv) that any statements, evidence, and witnesses may be produced by the violator at the hearing; and

(v) that all rights to have the fine or suspension reconsidered are waived if a hearing is not requested within fourteen (14) days of the date of mailing.

(2) 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. No lien, fine or suspension shall be imposed prior to the date that is five (5) days after the date of the hearing.

(c) A lien for assessments shall lapse and be of no further effect, as to assessments or installments thereof, together with the late charges and interest applicable thereto which first become due and payable more than three years prior to the date upon which the notice is given or more than three years prior to the institution of an action therefor if an action is not instituted within 90 days after the giving of the notice. (GaPOA 44-3-232 c)

Article IV
Officers

4.01 Officers. The officers of the Association shall be a President, Vice President, Recording Secretary, Corresponding Secretary, and Treasurer. The President, Vice President and Treasurer shall be elected from among the members of the Board of Directors.

4.02 Election, Term of Office, and Vacancies. The officers of the Association shall be appointed annually by the Board of Directors at the first meeting of the Board of Directors following the election of directors. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors.

4.03 Removal. Any officer may be removed, with or without cause, by the Board of Directors.

4.04 President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the members and directors. The immediate supervision of the affairs of the Association shall be vested in the President. It shall be the President's duty to attend to the business of the Association and maintain strict supervision over all of its affairs and interests. The President shall keep the Board of Directors fully advised about the affairs and conditions of the Association, and shall manage and operate the business of the Association pursuant to and in accordance with such policies as may be prescribed from time to time by the Board of Directors.

4.05 Vice President. The Vice President shall act in the President's absence or disability and shall have all powers, duties, and responsibilities provided for the President when so acting, and shall perform such other duties as shall from time to time be imposed upon any Vice President by the Board or delegated to a Vice President by the President.

4.06 Recording Secretary. The Recording Secretary shall keep the minutes of all meetings of the members and of the Board of Directors; produce minutes for approval and signature of the Board; and perform such duties as the President or the Board of Directors may proscribe. The Recording Secretary shall perform the duties of the Treasurer of the Association in the absence or disability of the Treasurer.

4.07 Corresponding Secretary. The Corresponding Secretary shall notify the members and the Board of Directors of meetings as provided by these Bylaws or the Georgia Nonprofit Corporation Code; have custody of the Seal of the Association; affix such seal to any instrument requiring the same; attest the signature or certify the incumbency or signature of any officer of the Association; produce a neighborhood newsletter twice (2x) a year or more often at the request of the Board of Directors; and produce all correspondence to include billing and receipt letters as required by the Declaration. The Corresponding Secretary shall perform other such duties as the President and the Board of Directors may prescribe.

4.08 Treasurer. The Treasurer shall keep, or cause to be kept, the financial books and records of the Association, and shall faithfully account for the Association's funds, financial assets, and other assets entrusted to the Treasurer's care and custody. The Treasurer

shall make such reports as may be necessary to keep the President and the Board of Directors informed at all times as to the financial condition of the Association, and shall perform such other duties as the President, or the Board of Directors may prescribe. The Treasurer shall maintain the money and other assets of the Association in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. The Treasurer may provide for the investment of the money and other assets of the Association consistent with the needs of the Association to disburse such money and assets in the course of the Association's business. The Treasurer shall perform the duties of the Recording Secretary of the Association in the absence or disability of the Recording Secretary.

4.09 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

Advisory 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. An advisory committee shall not be authorized to exercise any authority of the Board under the Articles of Incorporation, the Declaration, these Bylaws or the Georgia Nonprofit Corporation Code.

Article VI Miscellaneous

6.01 Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise determined by resolution of the Board.

6.02 Parliamentary Rules. *Roberts Rules of Order* (current edition) shall govern the conduct of all Association proceedings, when not in conflict with Georgia law, the Articles of Incorporation, the Declaration, these Bylaws, or a ruling made by the Person presiding over the proceeding.

6.03 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 the Bylaws (in that order) shall prevail.

6.04 Amendment.

(a) These Bylaws may be amended by the Board of Directors

(1) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial

determination which shall be in conflict therewith;

(2) if such amendment is necessary to enable any title insurance company to issue title insurance coverage with respect to the Lots subject to the Declaration;

(3) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, without limitation, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase Mortgage loans on the Lots subject to the Declaration;

(4) if such amendment is necessary to enable any governmental agency or private insurance company to insure or guarantee Mortgage loans on the Lots subject to the Declaration. In addition, these Bylaws may be amended upon the affirmative vote of the majority of the Total Association Vote provided, however, that the U.S. Department of Veterans Affairs (if it is then guaranteeing Mortgages in the Community or has issued a project approval for the guaranteeing of such mortgages) and/or the U.S. Department of Housing and Urban Development (if it is then insuring any Mortgage in the Community or has issued a project approval for the insuring of such mortgages) shall have the right to veto amendments to these Bylaws.

(b) Except to the extent expressly permitted in the Georgia Property Owners Association Act (GaPOA) article 44-3-226 a, the Covenants shall be amended only by the agreement of lot owners of lots to which two-thirds of the votes in the association pertain or such larger majority as the covenants may specify.

(c) Except to the extent expressly permitted or required by other provisions of the GPOA, or agreed upon or permitted by the Covenants concerning submission of additional property to this article by the association, or agreed upon by all lot owners and the mortgagees of all lots, no amendment to the instrument shall change the boundaries of any lot, the number of votes in the association pertaining thereto, or the liability for common expenses pertaining thereto. (GaPOA 44-2-226 c)

Adopted By:
Magnolia Ridge Homeowners Association
24 June 2001