



BYLAWS

OF

GROGAN'S MILL VILLAGE ASSOCIATION, INC.

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ARTICLE I. GENERAL

- 1.01. **Name**. These Bylaws (the “Bylaws”) govern the affairs of GROGAN’S MILL VILLAGE ASSOCIATION, INC. (“GMVA” or the “Association”), an IRS 501 c(4), a non-profit corporation organized under the Texas Non-Profit Corporation Act.
- 1.02. **Principal Office**. The principal office of the Association shall be in Grogan's Mill Village, The Woodlands, Montgomery County, Texas (the “Village”), although the Association may have other offices and meeting places within The Woodlands as may be designated from time to time by its Board of Directors (the “Board”).
- 1.03. **Fiscal Year**. The fiscal year of the Association shall commence on April 1.
- 1.04. **Governing Laws**. Insofar as Federal Law does not apply, the provisions of these Bylaws shall be governed by and construed in accordance with the laws of the State of Texas.

ARTICLE II. PURPOSE

The purpose of the Association shall be to enhance the quality of life of the residents of the Village of Grogan's Mill, The Woodlands, Texas; to strive to ensure that the Village represents the original vision of The Woodlands; to encourage involved, informed residents; and to represent the residents of the Village of Grogan's Mill as their liaison to the Woodlands Township and other governmental entities.

ARTICLE III. DEFINITIONS

As used in these Bylaws, the following terms shall have the following meanings:

- a. “Advisor” shall mean a non-voting member of the Association Board of Directors, as provided in Section 8.03 of these Bylaws.
- b. “Area Representatives” shall mean qualified Members that have been elected to the Association Board of Directors, as provided in Section 8.01 of these Bylaws, or as otherwise appointed pursuant to these Bylaws.
- c. “Association” shall mean the Grogan’s Mill Village Association.
- d. “Board” or “Board of Directors” shall mean the Area Representatives and Elective Officers of the Association, as more fully described in Article VII.
- e. “Covenants” shall mean the Covenants, Restrictions, Easements, Charges, and Liens of The Woodlands, referred to in the Articles of Incorporation of the WCA (defined below), and as set forth in that certain General Warranty Deed dated January 11, 1974, from WCA to The

Woodlands Development Corporation, recorded in Volume 841, Pages 297-352, of the Deed Records of Montgomery County, Texas, and as amended pursuant to their terms.

f. “Directors” shall mean the Elective Officers and Area Representatives of the Association Board of Directors.

g. “Elective Officers” shall mean the President, Vice President, Secretary, and Treasurer, of the Association, as more fully described in Article VIII of these Bylaws.

h. “Member” shall mean a Resident or residential property owner of the Village, 18 years of age or older.

i. “Resident” shall mean a natural person, 18 years of age or older, whose principal place of residence is within the Village.

j. “Township” shall mean The Woodlands Township, as represented by its Board of Directors, or its successors-in-interest.

k. “Village” shall mean the Village of Grogan’s Mill.

l. “WCA” means The Woodlands Community Association, or its successors-in-interest.

ARTICLE IV. MEMBERS

4.01. Members. Membership in the Association is automatic for each person satisfying the definition of Member, as found in Article III, above.

4.02. Voting Rights. Each Member shall have one (1) vote, subject to the following exceptions and conditions:

a. The Board may make such regulations as it deems advisable in regard to proof of membership in the Association, registration of Members for voting purposes, evidence of right to vote, use of proxies, voting by mail, telephone, facsimile or internet, the appointment and duties of inspectors of votes, and all other matters concerning the conduct of meetings and voting, including provisions for absentee balloting.

b. Any Member who is in violation of the Covenants or of these Bylaws, as determined by Board, shall not be entitled to vote during any period in which the violation continues.

ARTICLE V. MEETINGS OF THE ASSOCIATION

5.01. Regular Meetings. Regular Meetings of the Association shall be held monthly on a day and at a time established by the Board. Regular Meetings shall be open to all Members. Notice of Regular Meetings shall be as specified in Section 5.04.

5.02. Annual Meeting. The Annual Meeting of the Association shall be the first Regular Meeting following the election of Area Representatives. The purpose of the Annual Meeting shall be the giving and receiving of annual reports, the nomination and election of Elective

Officers, and such other business as may be properly brought before the Board. Notice of the Annual Meeting shall be as specified in Section 5.04.

5.03. Special Meetings. Special Meetings of the Association may be called at any time by the President or, in the President's absence, by the Vice President or next Elective Officer. A Special Meeting must be called upon the written request of a majority of the Board or the written request of twenty-five (25) Members of the Association.

5.04. Notice of Meetings. Notice of Meetings shall be issued by the Secretary by electronic postings on the grogansmillvillage.com or other appropriate websites, in a publication having general circulation in The Woodlands, or by posting notices in public places through out the Village, at least three (3) and no more than thirty (30) days prior to such meeting.

5.05. Quorum. A majority of the voting members of the Board shall constitute a quorum for meetings, and in the case there are fewer than this number, the presiding officer may adjourn the meeting until a quorum is present.

5.06. Rules of Order. The Board may establish rules of order for its meetings. In the absence of established rules of order by the Board, Roberts Rules of Order shall govern.

5.07. Rules of Conduct. Association meetings are intended, among other things, to provide a forum for open discussion of Members' concerns; therefore, proper respect, civility and decorum shall be maintained by Members, including Directors, at all times. Reasonable Rules of Conduct shall be enforced by the Board, which is empowered to use any lawful means or law enforcement entity to maintain order during Association meetings. No Member asked to leave an Association meeting or suspended for violation of the Association's Rules of Conduct shall have any legal recourse for any related action taken in good faith by the Board, its individual Directors, or the Association. The Rules of Conduct and Procedure for Suspension of a Member are more fully discussed in Exhibit "A" and may be amended from time to time by the Board.

ARTICLE VI. ELECTIONS

6.01. Date. Election of Area Representatives shall take place annually on the date and in the manner specified by the Board. Notice shall be as specified in Section 5.04.

6.02. Candidates. Candidates for Area Representative positions shall be qualified Members, pursuant to section 6.04, who have registered their candidacy by the date and in the manner specified by the Board. Candidates who receive the highest number of votes shall fill the number of positions available in sequential descending order of plurality of votes.

6.03. Write-In Candidates. Any position on the Board, except Advisor positions, may be filled by a write-in candidate who receives a majority of votes for the position, provided such person is duly qualified to hold office under these Bylaws. Voting shall be by secret ballot unless there is only one candidate for the position.

6.04. Qualifications. Any Member who is in violation of the Covenants or these Bylaws, as determined by Board, shall not be qualified to register as a candidate for election, or be appointed, as an Area Representative during any period in which the violation continues.

6.05. Vacancies. A Vacancy in any Area Representative position shall be filled by a majority vote of the Board members present at any duly-noticed meeting of said Board. Nominations are made by Board members. Any Area Representative so elected shall hold office for a term equal to the unexpired term of the Area Representative being replaced. Voting shall be by secret ballot unless there is only one candidate for the position.

ARTICLE VII. BOARD OF DIRECTORS AND DUTIES

7.01. Purpose. The business of the Association shall be conducted by a Board of Directors elected by the Members of the Village.

7.02. Members. The Board of Directors shall be comprised of the Area Representatives, Elective Officers, and Advisors set forth in Article VIII below. Board members must be in good standing with the Township and GMVA under their Bylaws and the Covenants. For purposes of these Bylaws, all members of the Board, excepting Advisors, shall be considered Directors.

7.03. Duties. The Board shall have supervision, control and direction of the affairs of the Association; shall consider and act upon the expressed desires and concerns of the membership; shall actively prosecute the Association's objectives and shall have discretion in the disbursement of funds. The Board may adopt such rules for the conduct of its business as it deems advisable, and may in the execution of powers granted, appoint committees, subcommittees or agents to assist it on specific problems or reports.

7.04. Meetings. The Board shall hold monthly meetings on a day and at a time established by the Board. The Board may hold its meetings as part of the regular meetings of the Association, or at its discretion, may hold closed meetings. The Board may, as it deems necessary, hold workshops, seminars and retreats. The Secretary shall issue notice of meetings by telephone or e-mail to each member of the Board least three (3) days prior to such meeting.

7.05. Special Meetings. Special meetings of the Board may be called at any time by the President or, in his absence, the Vice President or next Elective Officer, and must be called upon written demand of a majority of the Board. Special meetings of the Board may be called on twenty-four (24) hours' telephone notice or e-mail to each member of the Board, and the notice must state the general purpose of the meeting.

7.06. Quorum. A majority of the voting members of the Board shall constitute a quorum for meetings, and in the case there are fewer than this number, the presiding officer may adjourn the meeting until a quorum is present.

7.07. Removal of Directors for Breach of Duties. Any Director of the Board may be removed by 2/3 vote of the Board for the remaining term of office for material breach of duties whenever the best interests of the Association shall be served. At a minimum, a Director is expected to perform as listed in Section 8.04. At its discretion, the Board may appoint a replacement for the

remaining term of a removed Director. No Director removed under this section shall have any legal recourse against the Board, its individual Directors, or the Association for any action taken in good faith under these Bylaws. Notice of Breach and Notice of Removal shall be as specified in the Standing Rules.

ARTICLE VIII. DIRECTORS AND DUTIES

8.01. Area Representatives. There shall be fifteen (15) Area Representatives elected to serve at-large and represent the Village as a single district (effective the first election after March 2009). Eight (8) Area Representatives shall be elected in even numbered years, and seven (7) Area Representatives shall be elected in odd numbered years.

8.02. Elective Officers. The Elective Officers of the Association shall be a President, Vice President, Secretary, and Treasurer. The Elective Officers shall be nominated and elected by secret ballot, by the Board at the Annual Meeting. Other offices and officers, and their term and duties, may be established and elected by the Board at any duly-noticed regular meeting. Such officers may be included as members of the Executive Committee.

a. President. The President shall be the chief officer of the Association and shall direct its activities and preside at all meetings of the Board. The President shall have general charge and supervision of the business of the Association and shall communicate with the Members about matters and make suggestions as may, in the opinion of the President, promote the welfare and increase the usefulness of the Association. The President shall form standing and ad hoc committees as the business and welfare of the Association may require.

b. Vice President. The Vice President shall perform all duties of the President during the absence of the President, shall be the parliamentarian for all meetings, and shall make a final ruling as to the applicability of the rules of order and the rules of conduct adopted by the Board.

c. Secretary. The duties of the Secretary shall be:

- 1) To give notice of all meetings of the Association;
- 2) To make provisions for the keeping of a record of proceedings including, at the secretary's discretion, the use of tape recordings, and to present reports of such proceedings at the Association's meetings;
- 3) To conduct correspondence and be custodian of the corporate seal;
- 4) To keep an attendance roster of the Members in attendance at all meetings;
- 5) To keep an accurate record of such individuals ineligible to hold office under these Bylaws;

- 6) To act as Registered Agent for the Association and to notify the Secretary of State and Montgomery County of the Registered Agent's name and address any time there is a change in this position;
- 7) To assist the President in the preparation of all necessary filings with any regulatory agencies; and
- 8) To perform such other duties as may be defined by the Board.

d. Treasurer. The duties of the Treasurer shall be:

- 1) To adhere to the financial policies of the Association, as more fully discussed in Grogan's Mill Village Association Financial Guidelines and to keep an account of all moneys received and expensed for the Association; and
- 2) To perform such other duties as may be defined by the Board.

8.03. Advisors. The Board may at its discretion invite any individual to be a non-voting Advisor on the Board.

8.04. Duties. Each Director shall have the duty to actively participate in a minimum of two (2) Standing Committees, or sub committees, of the Board. They shall have the duty to attend every duly-noticed meeting of the Association, Board, or assigned committee, and to participate in Village and community activities as volunteers when needed.

8.05. Terms. The term of office for all Area Representatives shall be two (2) years; however, the President, Vice President, Secretary, and Treasurer shall be elected annually by the Board for one (1) year terms. A vacancy in any office may be filled for the balance of the term by appointment of the Board, but the same person may not hold the offices of President and Secretary. All Directors are eligible for reelection in accordance with Section 6.01, above.

8.06. Immediate Past President. The immediate past president is the person who served the prior term as president. The immediate past president is an officer of the Association, a member of the Association's Board of Directors and a member of the Executive Committee. The duty of the immediate past president is to provide advice and leadership to the Board of Directors regarding past practices and other matters to assist the board in governing the Association and supports the President on an as needed basis.

ARTICLE IX. COMMITTEES

9.01. Standing Committees. The Standing Committees of the Board shall be:

- a. Civic Affairs. To strive to ensure that the Village represents the original vision of The Woodlands; to encourage involved, informed residents; and to address Members' civic and governmental concerns and covenant questions. (I.e. RDRC)

b. Community-wide Events/ Village Promotion. To promote the Village of Grogan's Mill, to coordinate the Village's participation in community events, and to enhance the quality of life of the residents of the Village. (I.e. Farmers' Market, National Night Out, Flea Market, Earth Day, 4th of July)

c. Village Outreach. (I.e. Scholarship, Yard of Month, Holiday Lighting)

d. Financial Review. Committee shall consist of a minimum of two (2) Directors, other than any financial account signatories. The committee shall be charged with responsibility for an annual review of the finances of the Association, including bank statements, cancelled checks and supporting invoices, and deposit slips. A report on their findings shall be presented at the April meeting of the Board.

9.02. Ad Hoc Committees. Ad Hoc committees may be formed by the President or the Board to complete any functions deemed necessary for conduct of business or activities of the Association.

9.03. Term and Membership. Standing Committee and Ad Hoc committee members shall have a term of one (1) year. **Ad Hoc committee members shall serve until the Committee is dissolved.** Committee members and their chairmen may be chosen by the Board, or appointed by the President.

9.04. Executive Committee. The Executive Committee shall be comprised of the Elective Officers and any other officer so designated and elected by the Board pursuant to section 8.02. The Executive Committee shall have supervision of the affairs of the Association during and between its regular meetings, shall make recommendations to the Association, and shall perform such other duties as are specified in these Bylaws.

ARTICLE X. BYLAWS AMENDMENTS

10.01. Amendments. Proposals that these Bylaws be amended, altered, or repealed, in whole or in part, may be presented at any duly-noticed meeting of the Association, and shall be considered at the next regular meeting of the Board. Notice of the meeting at which the proposed amendment will be considered shall include the language and an explanation of the proposed amendment. A majority vote of all serving Directors ~~present at such meeting~~ shall be required for approval. The amendment shall be effective immediately unless otherwise stipulated at the time of approval.

10.02. Conformation. Sections of the Bylaws which require conformation after an amendment to the Bylaws, and grammar, punctuation, and incidental changes occasioned thereby, may be made and reported upon by an appointed Bylaws Committee.

10.03. Review. The Board shall appoint a committee of more than one (1) person, but fewer than four (4), to review and update these Bylaws no less often than each even numbered year.

ARTICLE XI. LIABILITIES

11.01. **No Partnership.** Nothing herein shall constitute Officers of the Association as partners for any purpose. No Officer, agent or employee shall be liable for the acts or failure to act of any other Officer, agent or employee of the Association; nor shall any Officer, agent or employee be liable for acts or failure to act under these Bylaws excepting only acts or omissions arising out of his or her willful misfeasance.

11.02. **Indemnification.** Officers will be indemnified, to the fullest extent permitted by law, for legal costs, damages, and attorney's fees incurred for any action taken in good faith in carrying out their duties on behalf of the Association. The Association shall maintain a policy of officers' and directors' liability insurance coverage for this purpose.

ARTICLE XII. FUNDS/INSURANCE

12.01. **Finances.** The Association is a non-profit organization and was not founded with the expectation of making a profit. The Association shall use its funds only for objectives and purposes specified in the Articles of Incorporation.

12.02. **Bonds.** Persons entrusted with the handling of Association funds may be required, at the discretion of the Board, to furnish, at the Association's expense, a suitable fidelity bond.

12.03. **Insurance.** The Association shall maintain policies of Liability, Officers and Directors, and non-owned vehicle insurance, or its equivalent, for the Board of Directors of the Grogan's Mill Village Association.

ARTICLE XIII. DISSOLUTION

The Association may be dissolved by a two-thirds (2/3) vote of its total Members, in accordance with its Articles of Incorporation.

ARTICLE XIV. BYLAWS BINDING

These Bylaws shall be binding upon all Members of the Association, whether or not they voted in the affirmative for their adoption.

Standing Rules

1. A standing rule is adopted or suspended by a majority vote. A vote to suspend applies only to the meeting at which the vote is taken. A standing rule is amended by a two-thirds vote without previous notice, or by a majority vote with notice.
2. The Board may set policies and procedures for the use of proxies in Association and Board of Directors meetings.
3. The Board may establish Rules of Conduct, which shall apply to all Association and Board of Directors meetings.
4. A registered letter of notification shall be sent by the Secretary to any Area Representative who has been found in breach of duty or removed as a Director by a vote of the Board.

Addendum A

RULES OF CONDUCT AND PROCEDURE FOR SUSPENSION

The Rules of Conduct of the Association shall prohibit any violation of public law, including disruptive or disorderly conduct; disturbing the peace; public intoxication, offensive use of abusive, insulting, obscene, profane or threatening language or gestures; and any other act designed to intimidate, offend, threaten or harm persons, or damage or destroy property.

A Proposal for Suspension of a Member in violation of the Association's Rules of Conduct may be presented at any duly-noticed meeting of Members and, upon a two thirds (2/3) majority vote of Members present, written notice of the proposed suspension specifying the violation(s), shall be mailed by regular mail and certified mail, return receipt requested, to the Member's last known address, requesting the Member to submit a written statement to the Board within thirty (30) days concerning the incident and stating the reasons why the Member should not be suspended.

At the regular meeting following the thirty (30) day period, whether or not the Member has submitted a statement, after consideration and discussion by the Board, if two-thirds (2/3) of the Members present vote affirmatively, the violating Member shall be suspended from the Association, removed from any office then held in the Association, and barred from attending Association meetings for a period of up to two (2) years. If necessary, a suspended Member may be forcibly removed from Association meetings during the suspension period.

The violating Member shall be notified of suspension and its term, as prescribed above. After the suspension period expires, the Member may apply to the Board for full reinstatement.

Upon a majority vote, the Board shall be authorized to pursue legal action against any individual who has engaged in illegal act(s) at any Association meeting.

Addendum B

Grogan's Mill Village Association Financial Guidelines

The following financial policies shall govern the fiscal management of the Grogan's Mill Village Association.

A. Management of Association Funds.

1. The funds of the Association shall be maintained in one or more accounts in FDIC-insured institutions as directed by the Board or the Executive Committee.
2. The authorized signatories on all GMVA accounts shall be the Association President, Vice President, and Treasurer.
3. Only one authorized signature shall be required for a withdrawal from GMVA account for board approved expenses. Two authorized signatures shall be required for monies over-\$1000.00
4. The Board may approve the opening of additional bank accounts for GMVA special purposes.

B. Treasurer. The Treasurer shall:

1. Receive funds on behalf of the Association, deposit such funds in Association accounts, or as directed by the Board or Executive Committee, and maintain the receipts for such deposits;
2. Make disbursements authorized by the Board or Executive Committee and maintain the documentation in support of such disbursements;
3. Ensure that disbursements have been properly authorized by the Board;
4. Advise the Board on financial issues, delinquent account, or disbursement issues that may be observed;
5. Arrange for an authorized bank signatory to issue checks in the temporary absence of the treasurer;
6. Review deposits, disbursements and documentation of GMVA financial activities by other signatories;
7. Prepare an annual budget for presentation and approval at the first regular meeting of the Board each fiscal year;
8. Prepare reports of receipts, disbursements and fund balances of the Association for presentation at all duly-noticed meetings and at the end of each fiscal year;
9. Prepare and maintain financial accounting records and support documentation in accordance with good accounting practices and tax reporting requirements;
10. Invest cash not needed for current operations in interest bearing CD's, money market funds, or other investments as authorized and directed by the Board or Executive Committee;
11. Reconcile bank and other financial statements with the treasurer's books on a monthly basis;
12. Maintain a property log of all assets owned or held by GMVA;
13. Arrange the preparation of all required tax filings with State and Federal agencies;.
14. Annually issue any required IRS Form 1099's;
12. Maintain a list of all vendors authorized to do business with GMVA;
13. Prepare or assist in the preparation of all necessary filings with any regulatory agencies; and

Addendum B continued

14. Monitor and pay the premiums for policies of insurance for the Grogan's Mill Village Association and its Board of Directors of as specified in Section 9.03 of the GMVA Bylaws;

C. Financial Secretary. A Financial Secretary may be appointed at the discretion of the Board. The Financial Secretary shall fulfill such duties of the Treasurer as are determined by the Board.

D. Annual Financial Review The financial records of the GMVA accounts are to be reviewed annually, as directed by the Board, or upon changes in the treasurer position. A committee of two or more people, appointed by the Board, who are not signatories to any GMVA account, will perform the review. The committee shall file a written report to the Board noting any accounting deficiencies and making recommendations for improvement.

Addendum C

CERTIFICATE OF ADOPTION OF BYLAWS

The undersigned hereby certifies that:

1. He or she is the duly elected and acting Secretary of Grogan's Mill Village Association, Inc.
2. The foregoing Bylaws, consisting of six (6) pages, constitute the amended original Bylaws of the Association, first fully adopted on June 15, 1992.

IN WITNESS WHEREOF, the undersigned has hereto subscribed his/her name.

Secretary

Date: _____