

GREENGATE GROVE PROPERTY OWNERS ASSOCIATION
CORPORATION BYLAWS

As of February 26, 2021

As amended at the Annual Meetings of February 26, 2021, February 24, 2017, February 27, 2015; January 31, 2014; January 27, 2012; January 29, 2010; January 30, 2004; January 31, 2003; January 26, 2001, and grammatically corrected by the Board of Directors action on November 19, 2004.

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ARTICLE I
NAME AND LOCATION

Section 1. The name of the corporation is GREENGATE GROVE PROPERTY OWNERS ASSOCIATION, doing business as SCOA, (Senior Citizen Owners Association), hereinafter referred to as the Association.

Section 2. The principal office of the Corporation shall be located at 2135 S BENTSEN PALM DR, PALMVIEW, TX 78572,¹ but meetings of members and Directors may be held at such place within Hidalgo County in the State of Texas, as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

Section 1. **Association** shall mean and refer to Greengate Grove Property Owners Association, a Texas non-profit corporation, its successors and assigns.

Section 2. **Owner** shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any lot which is a part of the properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. In the event the record owner of any lot consists of more than one person or entity, the record owners of said lot shall allocate among themselves the percentage of one vote to which the record owners are entitled. Each owner shall be entitled to one (1) vote for each lot owned.

Section 3. **Properties** shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions covering the Greengate Grove Subdivision, Hidalgo County, Texas, and such additions to such Covenants as may hereafter be brought within the jurisdiction of the Association.

Section 4. **Common Area** shall mean all real property and improvements, including fences and lighting thereon, owned by the Association for the common use and enjoyment of the owners.

Section 5. **Lots** shall mean and refer to any numbered lot or plot of land shown in any recorded subdivision map or plot of the properties with the exception of the common area.

Section 6. **Covenants** shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Deed Records of Hidalgo County, Texas.

Section 7. **Member** shall mean and refer to those persons entitled to membership as provided in the Covenants.

Section 8. **SCOA Government Outline** SCOA will consist of two governmental bodies, the Executive Committee, (Officers), and Block Directors, (Directors).

- a. **Board of Directors** shall mean and refer to the elected nine (9) Block Directors who are entitled to vote at all Board of Directors' meetings. The Alternate Block Directors will act and vote only in the absence of the elected Block Director. Directors and Alternate Directors must own property in the Block in which they were elected.²
- b. **Executive Committee** shall mean and refer to the elected President, Vice President, Secretary and Treasurer who serve without vote, except where the President may be required to vote in the event of a tie vote among the Board of Directors. The assistant to an elected officer will act only in the absence of the elected Officer. The Executive Committee shall participate in discussion at all meetings.
- c. **Exclusive Service.** No Member serving as a Director or Alternate Director may serve on the Executive Committee at the same time.³

Section 9. **Sinking Fund** shall mean a fund that is established to accumulate and thus provide funds for a specific future capital improvement.

Section 10. Deleted.⁴

ARTICLE III

MEETING OF MEMBERS

Section 1. **Annual Meetings:** A regular Annual Meeting of the members of the Association shall be held at the hour of 9:00 AM, and may be held at such place within Hidalgo County in the State of Texas as may be designated by the Board of Directors, on the last Friday of February of each year, for the purpose of electing Officers, approving annual reports, approving the annual budget, and the transaction of such other business as may properly come before the meeting. A notice of meeting shall be posted on the bulletin board at least 10 days prior to the meeting.

Section 2. **Nomination Meeting:** A Nomination Meeting of the Association members shall be held at 9:00 AM on the second Friday of January and may be held at such place within Hidalgo County in the State of Texas as may be designated by the Board of Directors. This meeting will be chaired by the Association President, and officiated by the Nominating Committee, and have the sole purpose of presenting the Committee's slate of officers standing for election for the following year, and to allow nominations from the floor for these offices.

Section 3. **Special Meeting of Members:** Special Meetings of the members may be called by the President, Board of Directors, or by members having not less than 33 1/3rd percent of the members entitled to vote. These meetings may be scheduled at any time November through March, and any petition from members must be filed with the Executive Committee or member of the Board of Directors. The sole purpose of the proposed meeting must be announced and no other business will be considered. SCOA is required to notify each member, in writing, of the time and place of this meeting, at least 10 days prior to the meeting. In emergencies, Special Meetings of members may be held with less than ten (10) day notice only when members are given notice with reason for the meetings as posted on the bulletin board. An emergency Special Meeting may be called at any time during the year.

Section 4. **Quorum:** Members owning in total twenty-five percent (25%) of the lots recorded on the books of the Association, present either in person or represented by absentee ballot, shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Covenants, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. **Adjournment:** No presiding Officer may adjourn an Annual or Special Meeting without a motion from the body which has been seconded and passed by a majority vote.

ARTICLE IV

DIRECTORS: SELECTION AND TERM OF OFFICE

Section 1. **Number:** A Board of nine (9) Directors, who must be members of the Association,⁵ shall govern the affairs of this Association. The number of Directors may be changed by amendment of the Bylaws of the Association.

Section 2. **Term of Office:** Nine Directors and their Alternates shall be elected from the nine blocks set out below, (one Director and one Alternate Director from each Block).

Block 1 shall include: Lots 1-12, 178-216.

Block 2 shall include: Lots 13-15, 163-177, 217-247.

Block 3 shall include: Lots 16-18, 146-162, 248-275. Block 4 shall include: Lots 276-313.

Block 5 shall include: Lots 19-20, 128-145, 314-340.

Block 6 shall include: Lots 21-23, 110-127, 341-360, and 422-424.

Block 7 shall include: Lots 24-25, 85-109, 361-379, and 419-421.

Block 8 shall include: Lots 26-28, 59-84, 380-396, and 416-418.

Block 9 shall include: Lots 29-58, 397-415.

Only those members who own lots in a block may vote for the Director and the Alternate Director to be elected from that particular block. Directors and Alternate Directors shall be elected for terms of three (3) years, with the follow schedule of elections:⁶

1st year: Blocks 1, 3, and 9

2nd year: Blocks 2, 6, and 7

3rd year: Blocks 4, 5, and 8

ARTICLE V

ELECTION OF OFFICERS AND DIRECTORS

Section 1. **Elections and Voting:**

- a. The election of Officers shall be held at the Annual Meeting of members and shall be by secret written ballot. The term of office shall begin on 1 April. (March shall be transition time for new officers.)
- b. The President, Vice President, Secretary, Assistant Secretary, Treasurer, 1st Assistant Treasurer and 2nd Assistant Treasurer shall be elected by the owners, annually.
- c. One Director and one Alternate Director shall be elected separately by a secret written ballot and by majority vote of those present or by proxy⁷ from each block that he/she will represent. Directors shall be elected at the February block meeting with the results of the election presented at the Annual Meeting.⁸
- d. No more than one member of a family may hold any of the following offices or committee chairs: President, Vice President, Secretary, Assistant Secretary, Treasurer, 1st Assistant Treasurer or 2nd Assistant Treasurer, Auditing Committee, Finance Committee, Nominating Committee, Election Committee or Architectural Control Committee.
- e. To be eligible for election to any office, the nominee must be a member⁹ of the Association.
- f. In case of election among three or more nominees for an office, with none receiving a majority vote, a run-off election shall be held within thirty (30) days, between the two receiving the highest number of votes.
- g. An Officer or Director may be recalled on a petition filed with the Secretary or a member of the Board of Directors, signed by 60 percent of the owners in the case of an Officer, and by 60 percent of the owners in a block in the case of a Director, as per Article V, Section 3a. Notification of removal to be accomplished by the President and Secretary. In the event of death, resignation or removal of a Director, the Alternate Director will serve the remainder of the term and the Block will vote for another Alternate Director in a special election.
- h. No written ballot may be disqualified by the Election Committee in tabulating the election or other voting results unless said ballot is mutilated or marked so as to make the voters' intent unknown.
- i. Any member at the Annual Meeting and or Special Meeting may challenge the Chairperson's decision on a voice, show of hands, or a roll call vote by requesting a written ballot.
- j. At the Annual Meeting of members, each owner may vote in person or by absentee ballot.
- k. Owners of the Association not present at the Annual Meeting may request an absentee ballot to vote all lots owned. The request for ballots must be submitted to the Election Committee in care of the SCOA Office beginning 30 days prior to the voting. The request must be in writing either by postal service or other expedited delivery (i.e.-

FedEx, UPS), FAX, or by e-mail and contain an address for the committee to mail the packet of voting information. Ballots must be returned to the Election Committee, in care of the Greengate Grove SCOA Office by postal service or expedited delivery service, no later than 5 p.m. the day prior to the Annual Meeting. The returned ballots shall be placed, unopened, in a sealed Ballot Box and shall remain in the custody of the Election Committee until the ballots are tabulated. The ballot obtained from the Chairperson of the Election Committee must be stamped by the Chairperson before ballot(s) can be counted and certified.¹⁰

- l. The Presiding Officer may entertain a motion to destroy the ballots.
- m. The results of each election, both for Officers and for Directors, including the name and the term of office, shall be posted on the bulletin board in the Recreation Hall of the Association.
- n. Deleted.¹¹

Section 2. **Petitions:** SCOA government is constructed so as to provide the orderly flow of information, concepts, proposed rules, etc., from the Board of Directors, to the owners, via the monthly (November – March¹²) Block Meetings. These meetings are designed to study this information, vote acceptance or rejection of the concepts, and provide for the input of new items that owners want considered by the Board of Directors.

- a. Individual owners shall have the right to petition the Board of Directors on subjects they feel require such attention. These petitions shall require signatures of one-third (33 1/3rd percent) of all owners to be effective, and once this requirement is met, the Board of Directors will be required to discuss and act

upon the subject of said petition as an agenda item at the next regularly scheduled meeting of the Board of Directors.

- b. All petitions will be formulated on the one lot, one vote basis, and as a minimum contain the following information. Lot number, (or partial lot number, as required), printed name of owner, written signature of owner, and date signed.
- c. The Board of Directors may require the Election Committee to validate any owners' sponsored petitions.

Section 3. **Recall Petitions:**

- a. A member of the Executive Committee, or his/her Assistant, may be recalled by a petition filed with the SCOA Secretary, or other member of the Board of Directors, signed by at least sixty (60%) percent of the owners. Any such recall petition must be formulated in accordance with Section 2-b, above, and be validated by the Election Committee.
- b. A Block Director, or Alternate Block Director, may be recalled by a petition filed with the SCOA Secretary, or other member of the Board of Directors, signed by at least sixty percent (60%) of the owners of his/her Block. Any such recall petition must be

formulated in accordance with Section 2-b, above, and be validated by the Election Committee.

ARTICLE VI MEETINGS OF BOARD OF DIRECTORS AND THE EXECUTIVE COMMITTEE

Section 1. **Regular Meeting:** Except for the February Regular Meeting, which will be held one day prior to the Annual Meeting, the Regular Meeting of the Board of Directors and the Executive Committee shall be held at 9:00 AM on the fourth (4th) Friday of each of the months of November through March.¹³ At the Regular Meeting in March of each year the Board of Directors may adjust the dates of the November through March meeting as they deem necessary.¹⁴ The dates of the Pre-Board Meetings and Block meetings, (Section 3 below), will be adjusted accordingly. Members will be permitted to attend Regular Meetings, but shall have no voice until all old and new business has been completed, at which time the President shall open the meeting for general discussion.

Section 2. **Special Meeting:** To conduct SCOA affairs, a Special Meeting of the Board of Directors and the Executive Committee may be held at any time when called by the President of the Association, or by a majority of the Directors, after not less than three (3) days' notice to each Director and the Executive Committee.¹⁵

Section 3. **Pre-Board Meeting:** A Pre-Board Meeting will be held at 9:00 AM on the third (3rd) Thursday of each month, November through March, by Officers and Directors to develop an agenda for the Regular Meeting. Items discussed at the Pre-Board Meeting will be taken back to the Block Meeting by the Block Director. He/she will discuss the agenda items for the Regular Board meeting and any additional recommendations from the Block members, and allow the members to vote on them as necessary. The Block Director will use the outcome of this voting, (one lot, one vote), as the basis for his/her input on these items at the next Regular Meeting of the Board of Directors and the Executive Committee.

Section 4. **Quorum:** A majority of the number of the Board of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Board of Directors present shall be regarded as an act of the Board.

Section 5. **Adjournment:** No presiding Officer may adjourn a Board of Directors Meeting without a motion from the body that has been seconded and passed by a majority vote.

Section 6. **Notice:** Members shall be given notice of the date, hour, place, and general subject of a regular or special board meeting, including a general description of any matter to be brought up for deliberation in executive session. The notice shall be provided at least 72 hours before the start of the meeting by both¹⁶

- a. Posting the notice to the clubhouse and office bulletin boards,
- b. Posting to Association web-based message board (e.g. greengategrove.groups i.o/g/main)

- c. E-mailing to Members with e-mail addresses on file with the SCOA office.

Section 7. Action Without Notice: Any action taken without notice to owners must be summarized orally, including an explanation of any known actual or estimated expenditures approved at the meeting, and documented in the minutes of the next regular or special board meeting. The board may not, unless done in an open meeting for which prior notice was given to owners, consider or vote on:¹⁷

- a. Fines;
- b. Damage assessments;
- c. Initiation of foreclosure actions;
- d. Initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety;
- e. Increases in assessments;
- f. Levying of special assessments;
- g. Appeals from a denial of architectural control approval;
- h. A suspension of a right of a particular owner before the owner has an opportunity to attend a board meeting to present the owner's position, including any defense, on the issue;
- i. Lending or borrowing money;
- j. The adoption or amendment of a dedicatory instrument;
- k. The approval of an annual budget or the approval of an amendment of an annual budget that increases the budget by more than 10 percent;
- l. The sale or purchase of real property;
- m. The filling of a vacancy on the board;
- n. The construction of capital improvements other than the repair, replacement, or enhancement of existing capital improvements; or
- o. The election of an officer

ARTICLE VII
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. **General Standards for Directors:** A Director shall discharge the director's duties, including duties as a committee member, in good faith, with ordinary care, and in a manner the Director reasonably believes to be in the best interest of the corporation.¹⁸

Section 2. **Powers:** The Board of Directors shall have power to:

- a. Adopt, implement and publish rules and regulations governing the use of the Common Areas and facilities, as established either by majority vote of the owners, or by action of the Board of Directors. Establish and adopt rules for the conduct of members and their guests thereon, and establish penalties for infraction thereof.
- b. Suspend the¹⁹ right to use of the recreational facilities of the member during any period in which such member shall be in default in the payment of any assessment levied by the Association.
- c. The²⁰ right to use of the recreational facilities of the member may also be suspended, after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations.
- d. Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Covenants.
- e. Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- f. Employ independent contractors, or such other employees as they deem necessary, and to prescribe their duties.²¹ These independent contractors and/or employees will not be members of the Association.

Section 3. **Duties:** It shall be the duty of the Board of Directors to:

- a. Cause to be kept a complete record of all 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 in writing by thirty-three and one-third percent (33 1/3rd %) of the members who are entitled to vote.
- b. Supervise all Officers, agents and employees of this Association, and to see that their duties are performed.
- c. As more fully provided in the Covenants to:
 - (1) Fix the amount of the monthly maintenance fee, levied against the lots, at least thirty (30) days in advance of each annual assessment period. The annual

assessment shall be payable monthly. (See Article X, Section 8, for pre- payment authorization).

- (2) Send written notice of each assessment change to every owner subject thereto at least (30) days in advance of each Annual Meeting; and
 - (3) At its discretion, foreclose the lien against any property for which assessments are not paid within (60) days after due date or to bring an action at law against the owner personally obligated to pay the same.
- d. Issue, or to cause an appropriate Officer to issue, upon demand by any owner, a certificate setting forth whether or not any assessment has been paid. The Board may make a reasonable charge for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.
 - e. Procure and maintain adequate liability and hazard insurance on property owned by the Association, as well as adequate directors and officers liability insurance. See Article XI for indemnification clause.²²
 - f. Cause all Officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.
 - g. Cause the Common Area to be maintained.
 - h. All members of the Board of Directors shall participate in the decision process and will vote on all issues before the Board, except when such participation would be a conflict of interest.
 - i. The Board of Directors and Executive Committee shall be permitted to meet in Executive Session whenever personnel or pending litigation topics need to be discussed.
 - j. During the months of April through October, Directors shall be available even when not in residence. Directors shall provide specific information, (i.e., address, telephone number, FAX number and/or e-mail address), enabling the Directors in residence to contact them whenever necessary.

ARTICLE VIII²³ ASSOCIATION EMERGENCY GOVERNANCE

Section 1. **Emergency Defined.** An Association Emergency exists if a majority of the Association's Board of Directors cannot readily participate in a meeting because of the occurrence of a catastrophic event

Section 2. **Emergency Governance.** Every possible avenue of communication will be explored in an attempt to obtain a majority of the Board of Directors so that a meeting of the board concerning the catastrophic event can be held.

- a. If a majority of the Board of Directors cannot be contacted and participate in a meeting concerning the catastrophic event, members of the Executive Committee, or Committee Chairpersons, may be enlisted to assist in managing the emergency situation.
 - (1) This group of persons formed for this purpose will be at least five (5) in number, and designated as the “Emergency Action Directors”, and their term of service will cease at such time as a quorum of elected Directors is in evidence and can take control of the emergency situation.
 - (2) The “Emergency Action Directors” will have the authority to make necessary immediate repairs to Association property or equipment, where delay would cause additional damage or expense to the Association, or the health and welfare of the owners or residents may be in question.
 - (3) The “Emergency Action Directors” will not have the authority to change, amend or update in any way, the Association’s governing documents, and will make every attempt to comply with these documents while considering the extent of the emergency situation.
- b. An individual within this group will be designated to document any meetings and actions concerning the emergency situation. Copies of the minutes of these meetings and/or actions will be furnished to the Board of Directors, President and Secretary of the Association in a timely manner.

ARTICLE IX

OFFICERS AND THEIR DUTIES

Section 1. **President:** The President shall preside at all member meetings and meetings of the Board of Directors. He/She shall have general supervision over the affairs of the Association, its properties and employees. He/She shall be an ex-officio member of all committees, but without vote. He/She shall have no vote at Board Meetings except in the event of a tie vote.

Section 2. **Vice President:** The Vice President shall perform the duties of the President only in the absence or inability of the President to perform his/her duties. He/ She shall also serve as an aide to the President and perform such other duties as are assigned by the President.

Section 3. **Secretary:** The Secretary shall have the care and custody of all records, minutes and correspondence and shall do and perform all duties pertaining to the office of Secretary. The Secretary shall work together with the Board of Directors in preparing the agenda for all meetings.

Section 4. **Assistant Secretary:** The Assistant Secretary shall perform the full duties of the Secretary only in the absence or inability of the Secretary to perform. All other times he/she shall assist the Secretary as necessary to become familiar with the books and routine.

Section 5. **Treasurer:** The Treasurer shall receive and disburse all funds of the Association, for utilities, salaries, taxes, contracts and supplies up to the amounts on an approved budget in a timely manner. The Board of Directors shall authorize other expenditures in an approved budget upon determination of priorities and availability of funds. He/She shall keep the accounts of his/her receipts and disbursements and shall submit and post reports to the Board of Directors at all convened meetings. He/She shall perform all duties pertaining to the office of Treasurer. Should the Board of Directors decide that the Treasurer post a Surety Bond, the cost of such bond shall be paid by the Association?

Section 6. **First Assistant Treasurer:** The First Assistant Treasurer shall perform the full duties of the Treasurer only in the absence or inability of the Treasurer to perform. All other times he/she shall assist the Treasurer as necessary to become familiar with the books and routine.

Section 7. **Second Assistant Treasurer:** The Second Assistant Treasurer shall perform the full duties of the Treasurer only in the absence or inability of the First Assistant Treasurer or the Treasurer to perform. All other times he/she shall assist the Treasurer as necessary to become familiar with the books and routine.

Section 8. **Term:** The officers of this association shall be elected annually by the owners, and each shall hold office for one (1) year unless he/she shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

Section 9. **Special Appointment:** The Board of Directors may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board of Directors may, from time to time, determine.

Section 10. **Resignation:** Any Officer may resign at any time giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of 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.

Section 11. **Vacancies:** The Board of Directors may fill a vacancy in any Officer position by appointment. The Officer appointed to such vacancy shall serve for the remainder of the term of the Officer he/she replaces. Upon the resignation or recall of a Director, the Alternate Director shall serve the remainder of the term, and the Block he/she represents shall elect a new Alternate Director. In the event that both the Director and the Alternate Director should resign, be recalled, or otherwise be unable to serve, a special election will be held within that Block to elect both a new Director and Alternate Director. This special election will take place prior to the next Pre-Board Meeting, and will be supervised by the S.C.O.A. President and a member of the Election Committee, or by those who the President may appoint.

Section 12. **Parliamentarian:** The President may appoint a Parliamentarian, who will attend all meetings of the Board of Directors and all meetings of the members, and provide assistance as required.

ARTICLE X

COMMITTEES

Section 1. **General:** The President and/or the Board of Directors may by resolution or need, appoint any committee they deem necessary for the good and complete operation of the Association. Responsibility, name, lot and telephone number of each committee chairperson shall be posted on the Bulletin Board. All committees appointed by the President and/or the Board of Directors shall be directly responsible to the Board of Directors for their actions and for any monies or properties collected by said committee.

Section 2. **Nominating Committee:** The Executive Board, consisting of the President, Vice President, Secretary and Treasurer, shall appoint a Nominating Committee, consisting of a chairperson and two (2) members or more, all being members, at least ninety (90) days prior to the Annual Meeting.

- a. The Nominating Committee shall actively seek nominees who are interested in performing the duties of any Executive Officer²⁴, and shall nominate one or more members for the offices of President, Vice President, Secretary, Assistant Secretary, Treasurer, 1st Assistant Treasurer and 2nd Assistant Treasurer. Any Member that desires to run for and service in the Association's governing entities can apply without being nominated by the Nomination Committee by contacting any Officer of Director of the Association, or being nominated from the floor at the Annual Meeting.²⁵
- b. The Chairperson of the Nominating Committee shall post nominations on the Bulletin Board in the Recreation Hall at least thirty (30) days prior to the Annual Meeting, with a copy to the Election Committee.

Section 3. **Election Committee:** The Executive Committee shall appoint an Election Committee, to serve for a term of one (1) year, consisting of a Chairperson and three (3) or more members. The committee shall be appointed after the Annual Meeting and prior to the next regularly scheduled Board of Directors meeting. Election as referred to in this Section may describe either a method of choosing a person for an elective office, or a referendum to decide an issue by direct vote of the Association members. The Election Committee shall be responsible for determining the eligibility of voters, the validity of owner sponsored petitions, the number of votes each voter shall be eligible to cast, and shall provide absentee ballots and proxies²⁶ when requested by qualified voters unable to be present at the Annual Meeting, or at any Special Meeting or election. The preparation, distribution and tally of ballots should be conducted in such a manner as to protect the secrecy of the voter's choice.²⁷

- a. The Association's Election Committee is authorized to issue Proxies and Absentee Ballots upon personal, individual request to Owners, or their legal representative. No other Proxies will be honored at Association elections.
- b. Proxies and Absentee Ballots will be subject specific, (e.g., voting at the Annual Meeting, voting at a Special Meeting, voting at a Block Meeting, etc.,) serialized, revocable and dated.

- c. Proxies will include the Owner's printed name, address and signature, and the signature of the person issuing the Proxy.
- d. Proxies are not transferable.
- e. The Election Committee will maintain a written log of the Proxies and Absentee Ballots issued.
- f. The Election Committee may provide the Association Office with a Master Copy of the current Proxy and a written log. The Association Office may then, on behalf of the Election Committee, issue copies to Owners' upon personal, individual request and in compliance with b. through e. above.

Section 4. **Auditing Committee:** The Board of Directors shall appoint an Auditing Committee of two (2) or more qualified members to provide an internal audit. The Treasurer's books and Annual Report shall be audited after the fiscal year ending on March thirty-one (31) every year and the auditor's report submitted to the Board of Directors a minimum of five (5) days prior to the November Board of Directors meeting. At the discretion of the Board of Directors, a qualified external auditor may be engaged to provide an independent audit.²⁸

Section 5. **Architectural Committee:**²⁹ The Board of Directors shall appoint an Architectural Committee, consisting of a Chairperson and two (2) members. This Committee shall be responsible for enforcing the provisions of the Covenants and/or applicable rules and regulations covering the Association, as applicable to individual lots and the recreation areas. Committee action may include, but is not limited to consulting with local city and county officials for code compliance.³⁰ Unresolved problems or violations will be referred to the Board of Directors. In the event of emergency situations where the Architectural Control Committee is not in residence, two members of the Board of Directors may resolve architectural problems or violations.

Section 6. **Long Range Planning Committee:** The Board of Directors shall appoint the Long Range Planning Committee consisting of three (3) or more members of whom two (2) shall be members of the Board of Directors; and in order to provide for continuity, at least one (1) member must have served on the previous years' committee. The Chairperson of the Long Range Planning Committee shall be a Director.

- a. The Long Range Planning Committee shall recommend to the Board of Directors additions or modifications to the Association's buildings, grounds and other facilities.
- b. The Long Range Planning Committee requirement that one (1) member has served on the previous years' Committee as noted may be waived, if a qualified member is not available.

Section 7. **Activities Committee:** The Board of Directors shall appoint an Activities Committee consisting of a chairperson, activity coordinator, and three (3) or more members to perform the following duties:

- a. The Activities Committee shall be responsible for the collection and expenditures of all monies raised or spent in connection with special recreational functions occurring on the premises of the recreational area of Green Gate Grove.
- b. The Activities Committee shall not establish a separate bank account. An Assistant Treasurer shall account for the finances of the Committee and shall submit monies to the Treasurer of the Association for deposit.
- c. The Activities Committee shall be responsible for scheduling the use of the recreational facilities of the subdivision.
- d. Any member or group of members who wish to use the recreational facilities of the Association for any function, which will call for the collection of fees or donations in any form, or will incur any expense extraordinary to the normal expenses of operation of the facilities, must obtain the permission of the Activities Committee in advance of such function and submit a complete financial report to the Committee at the termination of such function.

Section 8. **Finance Committee:** The Board of Directors shall appoint a Finance Committee consisting of five (5) or more members of whom the Treasurer will be one.

- a. The Finance Committee shall prepare the annual budget and submit it to the Board of Directors, sixty (60) days prior to the Annual Meeting.
- b. All questions concerning the finance of the Association shall be referred to the Finance Committee for review. After due diligence they shall submit their recommendations to the Board of Directors and to the originating source.
- c. The Finance Committee, with approval of the Board of Directors, may transfer funds between categories in the Budget as long as the bottom line of the original Budget is not exceeded.

Section 9. **55 and Over Compliance Committee:** The Board of Directors shall appoint a 55 and Over Compliance Committee consisting of a chairperson and two (2) members.³¹

- a. The 55 and Over Compliance Committee shall maintain records that demonstrate SCOA continually meets age exemption requirements of the Housing for Older Persons Act of 1995 using Guidelines and Procedures that adhere to the 'Implementation Rules' of 1999 for the Housing for Older Persons Act of 1995.
- b. Deleted.³²

Section 10. **Bylaws, Covenants and Documents Committee:** The Board of Directors shall establish and maintain a Bylaws, Covenants and Documents Committee comprising of a Chair, three Members, and a Board Liaison. Additional members may be assigned as needed.³³

- a. The committee is an advisory body supporting the Board of Directors and Association Members regarding interpretation of, and changes to Association governing documents and policies

- b. Association governing documents include (1) Articles of Incorporation, (2) Covenants, Conditions and Restrictions, and (3) Bylaws
- c. Association policies include all regulations, and procedures approved by the Board of Directors or Executive Committee for the conduct of Association affairs

ARTICLE XI³⁴
INDEMNIFICATION

Section 1. **Indemnity for Association Directors, Officers, Employees, Volunteers and Committee Members:** The Association shall indemnify each person who may serve, or has served at any time as a director, officer, employee, volunteer or committee member of the Association against all expenses and liabilities, including, without limitation, counsel fees, judgments, fines, excise taxes, penalties and settlement payments, reasonably incurred by or imposed upon such person in connection with any threatened, pending or completed action, suit or proceeding in which they may become involved by reason of their service.

- a. Indemnity shall not be provided for any such person with respect to any matter as to which they shall have been finally adjudicated in any proceeding as not having met the presumptions of the Business Judgment Rule, or that the adjudication found that the person was guilty of a criminal offense
- b. The indemnification provided shall inure to the benefit of the heirs, executors and administrators of Indemnitees. The right of indemnification shall be in addition to and not exclusive of all other rights to which any Indemnitee may be entitled.
- c. This constitutes a contract between the Association and the indemnified. No amendment or repeal of this Section which adversely affects the right of an Indemnitee shall apply to such Indemnitee with respect to those acts or omissions which occurred at any time prior to such amendment or repeal, unless such amendment or repeal was voted by or was made with the written consent of such Indemnitee.
- d. Those indemnified by the Association shall promptly notify the Association, in writing, of any action, administrative or legal proceeding or investigation, to which indemnification may be applied, and the Association, at the Association's expense, shall assume on behalf of those indemnified and conduct with due expertise and in good faith the defense thereof with competent trial counsel. Those indemnified shall have the right, at their option, and at their expense, to provide counsel of their choosing.

Section 2. **Indemnity for Others:** The Association shall have the power, to the maximum extent and in the manner permitted by the State of Texas, to indemnify other persons that qualify as agents, (other than directors, officers, employees, volunteers and committee members), against expenses (including attorney's fees), judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding, arising by reason of the fact that such Indemnitee is or was an agent of the Association.

Section 3. **Business Judgment Rule** creates a presumption Indemnitees acted in good faith, on an informed basis, and in the honest belief that the action taken was in the best interest of the corporation.

- a. Ordinary care is defined as care, including reasonable inquiry, that an ordinarily prudent person in a like position would use under similar circumstances
- b. For the business judgment rule to apply, one must actually take action or make a decision. Inaction is not protected. However, the business judgment rule does apply, if one actively decides (i.e. votes) not to take a specific action."

ARTICLE XII

CORPORATE PROPERTY AND FINANCE

Section 1. Corporate property, real or personal, wherever located, shall be under the control of the Board of Directors, and/or Committee appointed by the Board of Directors for that purpose.

Section 2. No motorized Association property may be borrowed or removed from its normal location for personal use.

Section 3. The Treasurer shall prepare appropriate financial reports for the last calendar year ending March 31 and submit them with all records and books to the Auditing Committee for approval by April 30 each year. The President and the Treasurer, with assistance from the Finance Committee, shall prepare a proposed budget for the new fiscal year. Financial reports and proposed budget shall be a part of the Annual Report made available to the members and are subject to their approval at the Annual Meeting.³⁵

Section 4. The Board of Directors, with approval of the majority of the owners, may establish special sinking funds for specific projects.

Section 5. The Board of Directors, with approval of the majority of the owners, may establish a contingency fund. Such fund shall not exceed ten percent (10%) of the annual budget unless voted on at an Annual or Special Meeting by the Owners.³⁶

Section 6. The members will own an interest in the Association recreational area, grounds and buildings proportionate to the number of lots owned in Greengate Grove and have a corresponding responsibility in the maintenance thereof. Each owner will be assessed a monthly maintenance fee, (dues), on a per-lot-owned basis to defray cost of such maintenance.

Section 7. The amount of the monthly maintenance fee to be assessed against each lot for the coming year shall be carefully determined by the Board of Directors for recommendation to the members at the Annual Meeting.

- a. The owners, by their majority vote, may approve the recommendation of the Board of Directors or reject the recommendation and fix the amount of the following year's monthly assessment for maintenance fees.

- b. If the owners reject the proposed maintenance fee, the proposed budget will be tabled until the Board of Directors prepares a revised budget, using the owners accepted maintenance fee. A revised budget will be presented to the owners at a Special Meeting for their approval.

Section 8. The monthly maintenance fee shall be deemed a debt due, owing and payable on the 1st of each month or within a reasonable time thereafter. The monthly maintenance fee may be prepaid on a monthly, quarterly, semi-annual or annual basis.

ARTICLE XIII

COMPENSATION AND REIMBURSEMENT

Section 1. No salary or compensation shall be paid to any Director or to any Officer of the Association, while carrying out his/her official duties. In some cases a Board member, Officer or Committee Chairperson shall be reimbursed for monies spent out-of-pocket for the benefit of the Association, upon presentation of proper receipts.

ARTICLE XIV

CONTRACTS

Section 1. The Directors, Officers and Committee Chairpersons shall not in any way enter into a contract or agreement, either written or verbal, that calls for an expenditure in excess of the amount granted by the owners in the approved annual budget without the affirmative vote of the majority of all owners voting on the issue, except where failure to make immediate repairs would result in further damage to property or equipment and additional expense. In that event, the Board of Directors may take immediate action.

ARTICLE XV

BOOKS AND RECORDS

Section 1. The Association shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its members, Board of Directors, and Committees having any authority of the Board of Directors, and shall keep at its registered office or principal office in this State a record of the names and addresses of its members.³⁷

Section 2. A member of the Association, on written demand to the President of S.C.O.A., stating the purpose of the demand, has the right to examine and copy, in person or by agent, accountant or attorney, during normal business hours, for any proper purpose, the books and records of the Association relevant to that purpose, at the expense of the member. The Association shall be responsible for developing, publishing and enforcing an Association Regulation that complies with Section 209.005, Association Records, of Chapter 209, Texas Residential Property Owners Protection Act, as it relates to owner access to Association documents.³⁸

Section 3. A governing person of the Association may examine the Association's books and records maintained under Section 3.152, (Books and Records for all Filing Entities), and other books and records of the Association for a purpose reasonably related to the governing person's service as a governing person."³⁹

ARTICLE XVI
ASSESSMENTS

Section 1. As more fully provided in the Covenants, each owner is obligated to pay to the Association monthly and special assessments, which are secured by a continuing lien upon the property against which the assessment is made. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of ten percent (10%) per annum and in addition a penalty of \$10.00 per month to cover the cost of billing and collection. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his/her lot.

ARTICLE XVII
AMENDMENTS

Section 1. These Bylaws may only be amended, at the Annual Meeting of the members, by a vote of sixty six and two thirds percent (66 2/3rds %) of all owners either present in person or by absentee ballot.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles of Incorporation shall control; and in the case of any conflict between the Covenants and these Bylaws, the Covenants shall control.

ARTICLE XVIII
MEMBERSHIP

Section 1. Membership in Greengate Grove Property Owners Association shall have no cash value in and of itself, and any rights or interest in the Association is transferred to the buyer. Members selling lots in Greengate Grove shall advise the SCOA office⁴⁰ of the new owner's name and address.

ARTICLE XIX
MISCELLANEOUS

Section 1. The fiscal year of the Association shall begin on the first (1st) day of April and end on the thirty-first (31st) day of March of every year.

Section 2. All Association meetings, (Block meetings excepted), including Board of Directors' meetings, Annual Meeting, and Special Meetings, will be governed by Robert's Rules of Order.

Section 3. It is the intent of the Greengate Grove Property Owners Association to comply with all applicable state and federal regulations.

Section 4. Invalidation of any of these Bylaws by court order or judgment shall in no way affect any other provisions that shall remain in full force and effect.

Section 5. In the event that Greengate Grove Property Owners Association fails to function or is dissolved, all assets shall be liquidated without benefit to any owner, under the direction of a professional financial advisor, who shall be retained by the Board of Directors and approved by sixty-six and two-thirds percent (66 2/3rds%) vote of the owners. The total assets shall be distributed to any non-profit organization whose principal activities are educational, charitable or religious as chosen by the Association. (As per the Texas Non- Profit Corporation Act, Article 1396-6.02).

CERTIFICATION

The following members of the Greengate Grove Property Owners Association Board of Directors do here by certify this a true copy of the Association Bylaws as amended at the Annual Meetings of January 26, 2001, January 31, 2003 January 30, 2004, January 29, 2010, January 27, 2012, January 31, 2014, February 27, 2015, February 24, 2017 and February 26, 2021.

Lisa Hogglund
Block 1 – Lisa Hogglund
Date 3-25-21

Scott E Bartlett
Block 2 – Scott Bartlett
Date 3/25/21

Robert Strickland
Block 3 – Robert Strickland
Date 3/25/21

Jim Melka
Block 4 – Jim Melka
Date 3-25-21

George C. Hauser
Block 5 – George Hauser
Date 3-25-21

John D Hogan
Block 6 – John Hogan
Date 3-25-21

Jim Gore
Block 7 – Jim Gore
Date 3-25-21

Rachel Veerman
Block 8 –Rachel Veerman
Date 3-25-21

Alan R Hisel
Block 9 – Alan Hisel
Date 3-25-21

ENDNOTES

- ¹ January 1, 2017: changed by 9-1-1 Emergency Services and the USPS.
- ² February 26, 2021: changed by Member vote at Annual Meeting.
- ³ February 26, 2021: changed by Member vote at Annual Meeting.
- ⁴ February 26, 2021: changed by Member vote at Annual Meeting.
- ⁵ February 26, 2021: changed by Member vote at Annual Meeting.
- ⁶ February 26, 2021: changed by Member vote at Annual Meeting.
- ⁷ February 26, 2021: changed by Member vote at Annual Meeting.⁸ January 30, 2004: amended by vote of the Membership.
- ⁹ February 26, 2021: changed by Member vote at Annual Meeting.
- ¹⁰ February 26, 2021: changed by Member vote at Annual Meeting.
- ¹¹ November 19, 2004: Subparagraph n removed by Board of Directors action¹²
February 26, 2021: changed by Member vote at Annual Meeting.
- ¹³ January 31, 2003: amended by vote of the Membership.
- ¹⁴ January 30, 2004: amended by vote of the Membership.
- ¹⁵ February 26, 2021: changed by Member vote at Annual Meeting.
- ¹⁶ February 26, 2021: changed by Member vote at Annual Meeting.
- ¹⁷ February 26, 2021: changed by Member vote at Annual Meeting.
- ¹⁸ February 26, 2021: changed by Member vote at Annual Meeting.
- ¹⁹ February 26, 2021: changed by Member vote at Annual Meeting.
- ²⁰ February 26, 2021: changed by Member vote at Annual Meeting.²¹ February 24, 2017: changed by Member vote at Annual Meeting. ²² February 26, 2021: changed by Member vote at Annual Meeting.
- ²³ February 26, 2021: changed by Member vote at Annual Meeting.
- ²⁴ February 26, 2021: changed by Member vote at Annual Meeting.
- ²⁵ February 26, 2021: changed by Member vote at Annual Meeting.
- ²⁶ February 26, 2021: changed by Member vote at Annual Meeting.
- ²⁷ February 26, 2021: changed by Member vote at Annual Meeting.²⁸ February 24, 2017: by vote of the Membership.
- ²⁹ February 26, 2021: changed by Member vote at Annual Meeting.
- ³⁰ February 26, 2021: changed by Member vote at Annual Meeting.³¹ January 27, 2012: Add by vote of the Membership.
- ³² February 26, 2021: changed by Member vote at Annual Meeting.
- ³³ February 26, 2021: changed by Member vote at Annual Meeting.
- ³⁴ February 26, 2021: changed by Member vote at Annual Meeting.
- ³⁵ February 26, 2021: changed by Member vote at Annual Meeting.
- ³⁶ February 26, 2021: changed by Member vote at Annual Meeting.
- ³⁷ February 26, 2021: changed by Member vote at Annual Meeting.
- ³⁸ February 26, 2021: changed by Member vote at Annual Meeting.
- ³⁹ February 26, 2021: changed by Member vote at Annual Meeting.
- ⁴⁰ February 26, 2021: changed by Member vote at Annual Meeting.