



ISSUE #1

Proxies

5.13. A director may vote by proxy executed in writing by the director. No proxy shall be valid after three (3) months from the date of its execution.

Compensation

5.14. Directors shall not receive salaries for their services. The Board of Directors may adopt a resolution providing only for reimbursement for actual expenses incurred in serving on the Board attending to the business of the Corporation. A director may serve the Corporation in any other capacity and but neither the director nor any immediate family member shall be entitled to receive compensation for those services.

Removal of Directors

5.15. The Board of Directors or members may vote to remove a director at any time, only for good cause. Good cause for removal of a director shall include the unexcused failure to attend three consecutive meetings of the Board of Directors, or actions clearly contrary to the best interest of the Corporation. A meeting to consider the removal of a director may be called and noticed following the procedures provided in the bylaws. The notice of the meeting shall state that the issue of possible removal of the director will be on the agenda and the notice shall state the possible cause for removal. The director shall have the right to present evidence at the meeting as to why he or she should not be removed, and the director shall have the right to be represented by an attorney at and before the meeting. At the meeting, the Corporation shall consider possible arrangements for resolving the problems that are in the mutual interest of the Corporation and the director. A director may be removed by the affirmative vote of a simple majority of the Board of Directors or members.

5.16. The Board of Directors shall have no authority to sell any common areas of the Subdivision, or any part thereof, without the affirmative two-thirds (2/3rds) vote of the membership.

ARTICLE 6
OFFICERS

Officer Positions

6.01. The officers of the Corporation shall be a president, one or more vice presidents, a secretary, a treasurer. The Board of Directors may create additional officer positions, define the authority and duties of each such position, and elect or appoint persons to fill the positions. Any two or more offices may be held by the same person, except the offices of president and secretary. The officers shall be ex officio members of the Board of Directors.

Election and Term of Office

6.02. The officers of the Corporation shall be elected annually by the Board of Directors at the

MARKUP #1 ->

MARKUP #1 · CONFLICTS WITH MANDATORY STATE STATUTE

BOARD & COUNSEL REVIEW

Sec. 5.13 (p. 9): Clause permits directors to vote or establish a board quorum by proxy at Board of Directors meetings without requiring express authorization in the Certificate of Formation under Tex. Bus. Orgs. Code § 22.214.

Statutory / Legal Reference: Tex. Bus. Orgs. Code §§ 22.213 - 22.214 & Tex. Prop. Code § 209.0051

Statutory Comparison: Under Texas Business Organizations Code § 22.213 (Quorum) and § 22.214 (Voting by Director), a director of a Texas nonprofit corporation may not vote by proxy or be counted toward a board quorum by proxy unless proxy voting by directors is expressly authorized in the Certificate of Formation (Articles of Incorporation) or compliant bylaws, and open board meeting deliberation requirements under Tex. Prop. Code § 209.0051 further restrict surrogate board voting.

CURRENT WORDING IN DOCUMENT:

A director may vote by proxy executed in writing by the director. No proxy shall be valid after three (3) months from the date of its execution. Compensation

SAMPLE DISCUSSION WORDING (FOR HOA ATTORNEY REVIEW):

Pursuant to Tex. Bus. Orgs. Code §§ 22.213 - 22.214 and Tex. Prop. Code § 209.0051, Directors may not vote or be counted toward a quorum by proxy at any meeting of the Board of Directors (unless expressly authorized in the Association's Certificate of Formation and exercised in compliance with Texas open board meeting laws).