

Section 3 - Sample Provision Excerpt (Public Preview)

collect special assessments rrvhenever in the opinion of the Board it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies.

ISSUE #1



MARKUP #1 ->



MARKUP #1 · SUBJECTIVE OR OVERBROAD WORDING

BOARD & COUNSEL REVIEW

Sec. 3 (p. 6): 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...

CURRENT WORDING IN DOCUMENT:

collect special assessments rrvhenever in the opinion of the Board it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies.

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).