

INFORMATION ON VOTING FOR ASSOCIATION DECLARATIONS AND BYLAWS

All members have been provided with ballots and information for voting to revise the governing documents. Information was provided in the Annual Meeting notice, and ballots were mailed on March 22, 2018.

Q: What are the owners voting on?

Amended Declarations and amended Bylaws. The Declarations create the HOA. They describe the lots, provide for owners' rights, explain how the HOA will be managed, and establish certain rules. The Bylaws relate to how the HOA is run. For example, the Bylaws describe when and where meetings are held, and how notice is provided. The original documents were filed 40 years ago, and these revisions were made to provide clarity and ensure compliance with Texas law.

Q: Why are owners able to vote on both declaration documents?

This is a precautionary measure although each Declaration will require approval by the required percentage of lots in the section it pertains to (Unit 6 votes for 6 and Units 7-12 vote for Units 7-12). The amendment provisions in the existing documents are not clear and we're concerned that owners will claim the election was invalid because all owners should be able to vote on each Declaration. To avoid the time and expense associated with another vote, we are using a ballot that allows for separate votes to be cast on each Declaration so we can establish that the vote is valid under any theory as to who should be able to vote.

Q: Why not wait until the Third Court of Appeals rules on the pending legal matter?

These revisions are overdue and separate from the issues before the COA. The COA proceedings generally involve an attempt to purchase a number of lots owned by governmental entities. The legal brief the buyers filed in the COA raises three issues that pertain to: (1) the trial procedures in the lower court; (2) the lower court's ruling there was no equitable title; and (3) an alleged Open Meetings Act violation by one or more governmental entities. We don't know when the litigation and appeal will ultimately end. However, we have a minor role in the litigation, and the Association did not initiate the lawsuit. Moreover, even after the COA rules, an appeal to the Supreme Court of Texas is possible and the matter may end up with a second trial in the lower court. Thus, there is no clear deadline or compelling reason to wait.

Q: Why are Declaration votes cast by absentee ballot only?

The Bylaws require amendment at a meeting; however, the Declarations provide for absentee voting to approve amendments.

Q: What changes to the ACC have been proposed?

The amended Bylaws establish the ACC as a committee designated by the Board of Directors. This is being done in accordance with Texas law, and Tex. Bus. Org. Code Section 22.218 has been incorporated into the Bylaws. To establish the ACC as a committee designated by the Board of Directors to exercise certain architectural review and approval powers.

Q: Will the Board be able to "make changes to the Bylaws in the future without even asking owners to vote on the changes"?

No. The amended Bylaws state that they may only be amended by a vote of the Members at an annual or special meeting. The limited exception is in the rare instance when it is necessary to change a provision that violates Texas law.