

ISSUE #1

Section 1: [Recorded Bylaws Article VI, Section 6.2] Board Contracting with Entities Owned by Trustees

MARKUP #1 ->

The Board of Trustees may enter into maintenance, construction, or professional service contracts with a business entity in which a Trustee or a Trustee's spouse holds an ownership interest, provided the interested Trustee discloses the relationship and abstains from the final vote.



MARKUP #1 · MISSING MANDATORY STATUTORY PROVISION

BOARD & COUNSEL REVIEW

**Sec. Recorded Bylaws Article VI, Section 6.2 (p. 1): Governing documents omit the mandatory recorded Alternative Payment Plan Policy (minimum 3-month to 18-month term) required for Texas associations with more than 14 lots under Tex. Prop. Code § 209.0062.**

**Statutory / Legal Reference: Tex. Prop. Code § 209.0062**

Statutory Comparison: Under Tex. Prop. Code § 209.0062, a property owners' association composed of more than 14 lots must adopt and record reasonable guidelines to establish an alternative payment schedule by which an owner may make partial payments for delinquent regular or special assessments without accruing additional monetary penalties (with a minimum payment plan term of 3 months).

**CURRENT WORDING IN DOCUMENT:**

[Recorded Bylaws Article VI, Section 6.2] Board Contracting with Entities Owned by Trustees - The Board of Trustees may enter into maintenance, construction, or professional service contracts with a business entity in which a Trustee or a Trustee's spouse holds an ownership interest, provided the interested Trustee discloses the relationship and abstains from the final vote.

**SAMPLE DISCUSSION WORDING (FOR HOA ATTORNEY REVIEW):**

**Adopt and record in the county real property records a statutory Alternative Payment Plan Policy providing a minimum three (3) month payment schedule in accordance with Tex. Prop. Code § 209.0062.**