

ISSUE #1

MARKUP #1 ->

MARKUP #1 · CONFLICTS WITH MANDATORY STATE STATUTE BOARD & COUNSEL REVIEW

**Sec. X (p. 17): Resale certificate clause allows 90 days for delivery, exceeding the mandatory 10-business-day deadline under Tex. Prop. Code § 207.003(a).**

**Statutory / Legal Reference: Tex. Prop. Code § 207.003(a), 207.003(c) & 207.004 (SB 1588)**

Statutory Comparison: Under Tex. Prop. Code § 207.003(a) and (c) (as amended by SB 1588, effective September 1, 2021), a property owners' association must deliver a resale certificate not later than the 10th business day after receiving a written request, and may charge a reasonable and necessary fee not to exceed \$375 for assembling, copying, and delivering the resale certificate and not to exceed \$75 for preparing and delivering an updated resale certificate.

**CURRENT WORDING IN DOCUMENT:**

Association Books and Records The Association shall keep or cause to be kept (a) detailed financial records of the Association in sufficient detail to enable the Association to prepare a resale certificate in accordance with the provisions of Section 82,157 of the Act, (b) the plans and specifications used to construct the Condominium, (c) the name and mailing address of each Owner of a Unit; (d) voting records, proxies and correspondence relating to all amendments to the Declaration, 14!17 and (e) the minutes of all meetings of the A

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

Pursuant to Tex. Prop. Code § 207.003(a) and (c) (as amended by SB 1588), the Association or its managing agent shall deliver a completed Resale Certificate within ten (10) business days after receipt of a written request, and the fee charged shall not exceed \$375.00 for a Resale Certificate or \$75.00 for an updated Resale Certificate.

and (e) the minutes of all meetings of the Association and the Board of Directors. All books and records of the Association shall be available for inspection by the Owners, the First Mortgagees, and their respective agents and representatives, during normal business hours. All books and records of the Association shall be kept in accordance with generally accepted accounting principles, consistently applied, and shall be audited at least once a year by an independent certified public accountant. If requested in writing by an Owner or First Mortgagee, the Association shall furnish such requesting Owner or First Mortgagee copies of the audited financial statements of the Association within 90 days following the end of each fiscal year of the Association. The Board of Directors shall further make available for the inspection by Owners, the First Mortgagees, and their respective agents and representatives, during normal business hours, the current version of the Declaration, these Bylaws, the Certificate of Formation, the Regulations and all other documents affecting the Association, the Owners, or the Property, as well as all amendments thereto and revisions thereof. Declarant shall furnish copies of the information set forth in this Section to the Association on the date the first Unit is conveyed to an Owner. For purposes of this paragraph, "available" shall mean available for inspection, upon reasonable advance request of not less than 24 hours, during regular business hours at the office of the Association or the office of the manager of the Association. The cost of any copies shall be reimbursed to the Association at a rate set by the Board of Directors.

**ARTICLE XI  
Dissolution and Termination**

Upon dissolution of the Association, the real and personal property of the Association shall be distributed pursuant to the provisions of the Certificate of Formation or, if no such provision is made, distributed to one or more organizations which are exempt from taxation under Section 501(c)(3) of the Code.

**ARTICLE XII  
Insurance**

**Section 12.1 Types of Insurance.** Commencing upon the first conveyance of any Unit to an Owner other than Declarant, the Association shall obtain and maintain, as a Common Expense, the insurance coverages specified in the Declaration, subject to such changes as all of the Directors shall determine, from time to time, to be in the interest of the Members.

**Section 12.2 Named Insured.** The name of the insured under the insurance policies shall be set forth substantially as follows:

"LEWISVILLE WATER'S EDGE II CONDOMINIUM OWNER'S ASSOCIATION, INC., for the use and benefit of the individual owners (which owners may be designated by name if required by law)."

Notwithstanding the foregoing, the policies may be issued in the name of an authorized representative of the Association, including any Insurance Trustee with which the Association has entered into an insurance trust agreement for the use and benefit of the Owners. Loss payable provisions shall be in favor of the Association (or such Insurance Trustee) as a trustee for each Owner and each such Owner's First Mortgagee. Each Owner and such Owner's First