

2022 LEGAL REPORT

There were a number of significant legal events in 2022.

1. Legislative Actions

In 2021 the Texas Legislature passed several which increased the rights of homeowners and put limits on the powers of Homeowner Associations (HOA's). These included:

- a. Deed Restrictions ("DR") or amendments must be filed before they can be effective.
- b. Allowing homeowners to display religious symbols, install swimming pool enclosures, security devices, and set up lemonade stands (so much for the wisdom of our legislators).
- c. Penalties for an HOA that refuses to timely disclose the DR, bylaws, rules, or resale certificates.
- d. Requirement for an HOA to maintain an internet website with certain information.
- e. Requirements for filing and making available the HOA management certificate.
- g. Limitation on who can serve on the Architectural Review Committee (ARC).
- h. Homeowner rights for a hearing on ARC decisions, or for a violation of the DR.
- i. HOA meetings that must be open to homeowners.
- j. Notice requirements for HOA meetings, and that minutes be kept of meetings.
- k. Decisions that must be made at HOA meetings open to homeowners.
- l. HOA Board conflict of Interest rules.
- j. Notice requirements for enforcement of Deed Restrictions.
- k. Limitations on collection procedures for past due assessments.
- l. What information an HOA can request concerning a lease or tenants.

2. Major Revision of THM Deed Restrictions is Needed

The current Townhouse Manor (THM) Deed Restrictions were adopted in 1995. Over the years the Texas Legislature has passed numerous laws effecting HOAs, some of which have invalidated, or made obsolete, various provisions in THM's Deed Restrictions. Situations that did not exist in 1995 have arisen needing addressing (recent example, short term leasing).

The THM's 1995 Deed Restrictions provisions on property assessments does not provide sufficient income to maintain the pool, trees and landscaping in the common areas. The pool is over 55 years old and is in need of a total renovation. Every year the City of Houston closes down the pool till certain corrective action is taken. We have had to cut back

and put off tree and landscaping maintenance. We have not been able to consider enhancement of our common areas due to lack of funds.

Both of these projects will require serious discussion and consideration by THM homeowners.

In 2022 we have had the experience of successful campaigns getting homeowner approval for changes to our DR. One to allow 4158 Meyerwood to redesign the carport / garage, and the other more significant change to limit short term rentals and require disclosure of lease and tenant information.

There were those who were skeptical about the ability to get homeowner approval on these issues. However THM residents came through with flying colors proving decisively that we are committed to the well-being of our community. We know the roadmap for success. Honest consistent communication, encouraging discussion, prompt response to concerns, and willingness to make modifications in response to these concerns is the key.

An invaluable asset in the success of the 2022 campaigns was the collaboration with the law firm of Rice and Rice. They specialize and have deep experience in the legal aspects of HOA management. With respect to updating the DR, we will not have to be reinventing the wheel. They will be able to provide us a template that has been successfully used by other HOAs as a starting point. This will narrow down the issues that we will have to make decisions on. As for increasing funding sources, they will be able to provide us with workable alternatives for our consideration.

Though no longer serving on the Board of Trustees, I will be serving on the legal committee interfacing with Rice and Rice on the legal issues attendant to bringing our DR up to date and proposals to increase our income stream.

Respectfully submitted,

Elliott Klein