
MEMORANDUM



CONFIDENTIAL

ATTORNEY/CLIENT PRIVILEGED COMMUNICATION

TO: THE RANCHES AT PINEHURST PROPERTY OWNERS’ ASSOCIATION

DATE: FEBRUARY 27, 2023

RE: SPECIAL MEETINGS

I. BACKGROUND

The Ranches at Pinehurst Property Owners’ Association (the “Association”) is the property owners association for The Ranches at Pinehurst, Sections 1 and 2, and Ranchos Los Encinos, a subdivision in Montgomery County, Texas (the “Subdivision”). The Board of Directors (the “Board”) of the Association has inquired as to certain matters of interpretation concerning the Association’s governing documents, namely, that certain Declaration of Covenants, Conditions & Restrictions for the Ranches at Pinehurst, recorded under Montgomery County Clerk’s File No. 9153386 of the Real Property Records of Montgomery County, Texas, as amended and supplemented by that certain First Amendment to Declaration of Covenants, Conditions & Restrictions and Supplemental Declaration of Conditions and Restrictions for the Ranches at Pinehurst, recorded under Montgomery County Clerk’s File No. 9661252 of the Real Property Records of Montgomery County, Texas (collectively, the “Declaration”). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Declaration and/or the Associations Bylaws (as amended).

The Strong Firm P.C. has prepared this memorandum of its findings with regard to the above-referenced inquiry based on its past knowledge and experience, legal research, and investigation of publicly available information. The information provided in this memorandum is prepared for the exclusive use of the Association, and no party other than the Association is entitled to rely on this memorandum. The contents of this memorandum are confidential and may not be

used by or disclosed to any person or entity, in whole or in part, without the express prior written consent of The Strong Firm P.C.

II. SUMMARY OF FINDINGS

A. What is a special meeting?

Article I, Section 2 and Article II, Section 4 of the Bylaws each generally reference the right of the Members and Directors, respectively, to call for a special meeting. As regular annual meetings are otherwise addressed in the Bylaws, by implication, special meetings are in addition to the regular annual meetings required by such provisions and by applicable State law. As provided in such Article I, Section 2, notice of a special meeting is to include “the matters to be considered” at such meeting, implying that special meetings have a to-be-determined purpose.

Section 209.0051(e) of the Texas Property Code affirms such provision of the Bylaws in providing that “[m]embers shall be given notice of... a... special board meeting, including a general description of any matter to be brought up for deliberation in executive session.” Again, there is a distinction here drawn between regular meetings and special meetings, and for special meetings, the purpose of the meeting is to be defined and noticed.

Similarly, Section 22.156(a) of the Texas Business Organizations Code, which speaks to State corporate law governing nonprofit corporations (which the Association is), provides that “[a] corporation other than a church shall provide written notice of... a meeting of the members of the corporation and, if the meeting is a special meeting, the purpose or purposes for which the meeting is called.” And once again, there is a distinction here drawn between regular meetings and special meetings, and for special meetings, the purpose of the meeting is to be defined and noticed.

Finally, a couple of common law definitions for special meetings are instructive: (i) “a meeting held for a special and limited purpose; specifically, a corporate meeting held occasionally in addition to the annual meeting to conduct only business described in a notice to the shareholders” (Merriam-Webster); and (ii) “a meeting of share holders called in order to discuss a specific matter that has been stated in the meeting notice” (Black’s Law Dictionary).

Based on the above, it is clear that the Association’s governing documents were intended to conform with both the statutory and common law interpretations of a special meeting, being one called for outside of the Association’s regular meetings, and which is limited to a specific matter or set of matters determined ahead of time and communicated in the notice of such meeting.

B. Is the scope of a special meeting limited?

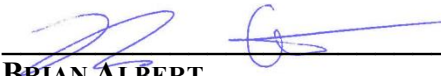
As noted above, yes, special meetings are generally limited in scope to the purpose for which they are called. In addition to the definitional examples previously discussed, the governing documents of the Association are confirming of this intent in limiting the instances of expressly referenced special meeting matters, namely: (i) Art. II, Sec. 5 (director removal), Art. III, Sec. 4 (officer vacancies), and Art. IV (amendments) of the Bylaws expressly allow for actions at a special meeting for those express purposes; and (ii) though the Declaration does not expressly

reference special meetings, both Art. III, Sec. 5 (Special Assessment) and Art. VII, Sec. 3.b (Common Properties) of the Declaration reference a meeting “duly called for such purpose,” which meeting could either be the annual regular meeting of the Members or a special meeting of the Members properly called and noticed.

Said another way, if a special meeting is duly called, notice of such meeting must include reference to the matters for consideration, and anything outside the scope of such notice would render such notice (and therefore meeting) invalid.

We hope the above summary adequately addresses the questions presented. Please direct any additional questions or concerns regarding this matter to the undersigned.

THE STRONG FIRM P.C.



BRIAN ALBERT