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MEMORANDUM

To: Twisted Creek Ranch Property Owners Association

From: Lehtola & Cannatti, PLLC

Date: August 13, 2025

Question: If Twisted Creek Ranch community wants to amend or modify the existing *Covenants, Conditions, and Restrictions* (CCRs), (i) what are the voting thresholds required to successfully amend or modify the CCRs and (ii) is the vote quorum determined by the total number of property owners or merely the number of participating votes?

Short Answer: The Twisted Creek Ranch POA can amend/modify any portion of the CCRs if <u>at</u> <u>least 54 property owners</u> vote for such amendment/modification.

Analysis: Under the CCRs, each Member (a current owner of a tract of land within the subdivision¹) is generally entitled to vote. Section 4.03 of the CCRs provides that only one Member is entitled to vote for each Tract and only one vote shall be counted for each Tract even though a Tract may have several Owners. Section 9.02, *Amendments*, states in relevant part:

"these Restrictions may be amended or changed, in whole or in part, at any time by a two-third (2/3) majority vote of every Member entitled to vote."

Thus, passage of any amendment or modification of the CCRs requires passage by <u>two thirds (%) of the Members entitled to vote</u> – not just the owners who actually vote – and this makes sense as any amendment or modification of the CCRs will affect everyone (not just the folks appearing to vote). Therefore, CCR § 9.02 requires that at least two-thirds (%) of the 81 property owners; at least 54 property owners would be required to vote in favor of any such amendment for the amendment to become effective.

Section 9.01 of the CCRs is consistent with the Texas Property Code, which has provisions addressing the minimum vote threshold for amending a subdivision's covenants, conditions, and restrictions (CC&Rs). Under Section 211.004 of the Texas Property Code, <u>Creation of Modification of Procedure to Amend Restrictions</u>, states:

- (a) <u>A property owners' association by a two-thirds vote of the association's governing body</u> may submit a procedure for amending restrictions to a vote of the property owners in the subdivision or in the unit or parcel of the subdivision governed by restrictions.
- (b) An amendment procedure submitted to a vote under Subsection (a) binds all property owners in the subdivision or the unit or parcel of the subdivision to which the procedure applies if more than two-thirds of the voting property owners vote in favor of the procedure.

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CCR, page 3, §1.12

This requirement for at least two-thirds ($\frac{2}{3}$) vote is consistent with other Texas Property Code Provisions similarly requiring a two-thirds vote. See, e.g., §209.0041 (Adoption or Amendment of Certain Dedicatory Instruments – $\frac{2}{3}$ vote).

- (c) Not later than the 30th day before the date a ballot for a vote under this section must be received to be counted, the property owners' association shall mail to each affected property owner a notice that includes:
 - (1) the exact wording of the amendment procedure; and
 - (2) the date by which a property owner's ballot must be received to be counted.
- (d) The property owners' association shall pay all costs of:
 - (1) printing and mailing the required notices and ballots; and
 - (2) canvassing, tabulating, and certifying the vote.
- (e) A property owner may not cast more than one vote, regardless of the number of lots the person owns. If more than one person owns an interest in a lot, the owners may cast only one vote for that lot. A person may not vote if the person has an interest in a lot only by virtue of being a lienholder.
- (f) A ballot cast under this section is secret and may not be counted unless it is placed inside an unmarked envelope that is placed inside another envelope that bears the signature and printed name of the property owner casting the enclosed ballot.
- (g) The presiding officer of the property owners' association shall appoint an election canvassing committee and a committee chairperson to canvass and count the votes and determine the outcome.
- (h) If the amendment procedure receives the number of votes required under Subsection (b), the election canvassing committee chairperson shall certify the result to the presiding officer of the property owners' association. The presiding officer shall file in the real property records of each county in which all or part of the subdivision is located an instrument that indicates that the procedure was adopted.
- (i) If the amendment procedure is not adopted, the property owners' association may not submit the same amendment procedure to a vote under this section on or before the first anniversary of the date the previous votes on the procedure were certified.