

OUTLINE OF SB100 FOR GLEN RIDGE SQUARE HOA

The following policies and procedures are to be effective January 1, 2006. Policies or procedures not listed from SB100 are already in place by the association:

Xeriscaping/Landscaping: This primarily affects single family communities or townhomes where owners are responsible for their yards.

Patriotic and Political Expressions: Residents may display the American Flag. Also, political signs but size can be governed by the association. Size and location of flags and flagpoles, number, and length of time signs may be displayed should be adopted.

Public Disclosures: To be sent once a year to owners, association's information for management company, phone #, address, and recording date of declaration; can be sent with notice of annual meeting.

Board Member Education: Board members may be compensated by association for actual expenses for educational meetings and seminars. Should adopt a policy for amounts and how many board members to be compensated.

Owner Education: Association is required to provide education to owners on an annual basis general operations of the association and the rights & responsibilities of owners. This can be done at the annual meeting.

Amendments to Declarations: Declarations may not require more than 67% of owners approval if amending. No action required unless amending Declarations.

Seller Disclosures to Buyer: Association is required to use best efforts to accommodate a request by seller for documents that are in associations control.

Audits/Reviews: Association books and records are subject to an audit or review at least once every two years, and must be a CPA if an audit is performed. An audit is required only if association has revenues or expenditures of at least \$250,000; and if an audit is requested by 1/3 of the units owners.

Meetings: Notice of owners meetings must be physically posted in a conspicuous place on the premises in addition to electronic mail. Associations are **encouraged** to provide notices and agendas in electronic form by posting on a web site. If owner requests, notices must be provided to their e-mail address. Electronic notice of special owner meetings must be given at least 24 hours in advance.

Owners may speak at owner meetings at "appropriate" times during the proceedings. Owners

may attend board meetings, but may not participate in any deliberation or discussion unless expressly so authorized by vote of the majority of a quorum of the Board.

Board may place reasonable time restrictions on those persons speaking during the meeting. Board shall permit an owner to speak before any action is taken about their issue. Board must provide a reasonable # of persons to speak on both sides of the issue.

After resolution of a matter for which the board received legal advice the board may preserve attorney-client privilege or it may disclose such information it deems appropriate.

Voting: Election of directors by secret ballots is required. Other votes, secret ballot required upon request of one or more members.

Counting of Ballots: Ballots must be counted by a neutral third party or by a unit owner who is not a candidate and without reference to their name, address, or other identifying information.

Association may reject a vote or proxy if there is reasonable doubt as to its validity.

Board Member Conflicts of Interest: If a contract would financially benefit any board member or any person who is a parent, grandparent, spouse, child or sibling or a board member or parent or spouse of any of those persons, the board member is required to declare a conflict of interest in a open meeting prior to any discussion or action on that issue. After the declaration, the member may participate in the discussion but may not vote. Any contract entered in violation of this provision is void.

Likewise, regarding Covenant Enforcement, if a board member has a specific interest in a decision, they may not vote. Covenant Enforcement by the board will be done in accordance with the Declarations. Arbitration shall be used in the event of homeowner disputes.

Association Records: Financial records must be kept in sufficient detail to allow association to provide statements of account to authorized parties.

Also, permanent records such as minutes, actions taken by committees, actions on architectural control decisions. Record owner names and addresses, and articles, bylaws, declarations, corporate reports, and any written communication to owners within last three years must be available at principal office.

Records must be made reasonable available during normal business hours upon notice of five business days.

11/2005