

Reasons the Leesburg Homeowners' Association Should Become Compliant with the 2016 Alabama Homeowners' Association Act

Purpose: Set minimum expectations for transparency and fairness.

Overview: The Act establishes a statutory framework for the creation, organization, administration, and basic governance of HOAs in Alabama. All HOAs created after the date this Act became effective are governed by this law. HOAs formed before this Act became effective are encouraged to opt in to uphold modern governance standards.

Goal: Establish a Communal Governance Style that is board-led rather than president-led whereas the president acts as a facilitator rather than an enforcer.

- 1) Formalize Records Access through adoption of a Records Inspection Policy for members that defines a timeframe for access once requested
 - a. Governing documents
 - b. Financials
 - c. Meeting minutes

Reason: Current records are not available to members. The current President frequently misrepresents what the CC&Rs govern and fails to provide records when requested, even when given ample time for a response.

- 2) Adopt a Due Process Enforcement Policy that defines timeframes for actions
 - a. Professionally written violation notices
 - b. Reasonable cure period
 - c. Opportunity to be heard by board
 - d. Written decision

Reason: Current administration arbitrarily and selectively enforces policies with no attention given to the impact or lack thereof on neighborhood safety and property values.

- 3) Financial Transparency
 - a. Publish annual budget summary
 - b. Provide assessment breakdown
 - c. Require board approvals for expenditures over a defined threshold

Reason: Current administration makes financial decisions without regard to members' needs and priorities but rather their own interests.

Please attend the annual meeting to help us work towards the creation of a fair and legitimate HOA.

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What the Act Requires:

- Records must be available to homeowners upon written request
- Responses must be timely (generally within 10 business days)
- Boards must act collectively, not unilaterally
- Enforcement must be uniform and documented
- Retaliation for dissent is prohibited
- Associations must operate transparently and in good faith

Key Features & Sections of the Act: The statute lays out core parameters for how HOAs must be structured and operated.

- 1) Definitions and Applicability
 - a. Sets standardized meanings for terms such as association, board of directors, common area, and declaration
- 2) Nonprofit Organization Requirement
 - a. Must be organized and registered as a nonprofit corporation and are subject to all rights and responsibilities of a nonprofit corporation
- 3) Filing and Public Records
 - a. Must file key governing documents (articles/bylaws/CC&Rs) with the Alabama Secretary of State to become part of a publicly accessible database
- 4) Governance Framework
 - a. Procedures for formation of associations, board elections, and modification of declarations are set out
 - b. Officers and board of directors' powers are described, including authority to manage common areas and enforce rules as allowed by the declaration and governing documents
- 5) Defines Lien Authority
 - a. Allows associations to place a lien on a lot for unpaid regular assessments and special assessments
 - b. Enforces "junior" lien status opposed to "super-lien" status
- 6) Records and Transparency
 - a. Must maintain records and provide information to potential buyers in accordance with the statute
- 7) Termination and Dissolution
 - a. Addresses procedures for dissolution and distribution of assets if the declaration ends or the association is terminated

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