

Dear Members,

On May 25<sup>th</sup>, the Board officially opened the voting the proposed Covenant changes. By now, or in the next few days, you should have received your voting packet.

The Board approved three methods of voting. You can mail in your ballot or drop it off in the office. You can also Proxy your vote to the Board of Directors if you wish. The Board has already voted in-favor of the changes. If you choose to mail in your Proxy, please write "Proxy" on the enclosed envelope. Once the ballot is received by the office, they will check off that you have voted. The Ballot will then go into a "locked ballot box". Once we receive the Ballots, the Board will notify the Association through the Holiday Times that the voting is closing in 2 weeks after the distribution of this issue. At that time, the Ballots will be sent to an independent auditor to count the votes and certify the results. Owners wishing to observe the vote tally may attend (limited to one observer per owner).

Over the many years, Board's have looked at updating the Covenants of Holiday Shores. To be honest, this current Board did not set out to make changes due to the amount of work, time and cost associated with such an endeavor. However, because of recent legislation in Illinois, we were "forced" to take a very in-depth look at all our Covenants, Bylaws and Rules over the last 8 months. Because of all the work that was done, as a Board, we decided to move ahead with the Covenant vote. We have spent considerable amount of time with State Legislators, other similar Associations, and our attorney to come up with the recommended changes. Some Associations that we spoke with recently updated their Covenants as well. It took them 4 years and spent roughly \$40,000. We do not envision our vote to take nearly that long, nor at that expense level. But, it is truly up to you. We need you to vote as soon as possible so we can move forward as an association. Pursuant to SB 1651, an amendment to "The Common Interest Community Association Act of 2010" we have until January 1, 2012 to bring our community instruments into compliance.

We used the original 1969 Covenants as our baseline for making changes. There are actually very few changes. The one change of particular importance is to tie all of our "Community Instruments" together. Under the Membership Covenant, we added a line that allows Membership voting rights at the Annual Meeting. In an effort to bring all HOA's under a common set of operating procedures, the State of IL signed into law the Common Interest Community Association Act in 2010. While the law seems to give members certain rights (rights already enjoyed by our membership), it also gives the Board, in our opinion, very broad powers. In all our conversations, including the senator that originally sponsored the bill, the feedback was that if the Membership had the right to vote for something (like assessment increases), this goes above and beyond the law. This is the primary purpose of the addition which we are calling the "Members Rights" clause. We need to ensure that our Membership has the right to vote on how Holiday Shores operates.

Again, we understand that this has never been done before and can be confusing. If you have any questions at all, please don't hesitate to call a Board Member or the Office. Most importantly, we ask that you vote as soon as possible.

Best Regards,  
Scott Webber  
President Holishor