

OSPREY COVE OWNERS' ASSOCIATION, INC.

TO: All Members of Osprey Cove Owners' Association, Inc.

FROM: Board of Directors

DATE: April 13, 2018

RE: **Consideration of Proposed Amendments to Governing Documents of Osprey Cove and Special Meeting of Membership on Tuesday, May 8, 2018 at 6:00 p.m.**

A very important milestone at Osprey Cove is fast approaching and we need your participation! Pursuant to the Osprey Cove Golf and Country Club Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements ("**Declaration**"), the Class "D" Membership held by the developer/Declarant will expire on May 3, 2018. Although the Declarant will still own lots in Osprey Cove for development and sale, it will no longer hold a majority of the votes in Osprey Cove Owners' Association, Inc. (the "**Association**") after that date. ***Please take time to review this letter and the enclosures now, as they call for action on your part prior to May 1, 2018.***

The Association's board of directors currently consists of 5 directors, 3 of whom are appointed by the Declarant and 2 of whom were elected by a vote of the Association's members. Although the Association's bylaws (the "**Bylaws**") would allow the Declarant's directors to remain on the Board, the Declarant has indicated its willingness to remove the 3 directors which it has appointed, waive its right under the Bylaws to appoint their successors, and allow the membership to elect three directors to fill the vacancies.

Unfortunately, the Bylaws do not clearly provide for this transition of control and are deficient in many other respects as well. They are in need of updating to conform to current law and provide better guidance to the Board and the members going forward. Likewise, the Articles of Incorporation of Osprey Cove Owners' Association, Inc. (the "**Articles**"), which established the Association as a nonprofit corporation, also include obsolete and inconsistent provisions which need updating and amending. Therefore, the Board has established a two-part process for accomplishing this transition.

I. Proposed Amendments to Articles and Bylaws

A. Background. In order to facilitate an orderly transition of control of the Association to the members and provide strong, up to date governing documents for the community moving forward, the Declarant has, at its expense, arranged for an attorney experienced in community association law to draft amendments to the Declaration, Bylaws, and Articles. These proposed amendments have been made available for review by: (1) each member of the current Board; (2) an attorney experienced in the field of community association law selected by and working with the owner-elected directors to advise and represent the Association and the interests of the membership as a whole; and (3) a group of members which identifies itself as Osprey Cove Concerned Property Owners ("OCCPO"); and (4) an attorney experienced in the field of community association law retained by OCCPO to advise and represent OCCPO. Following review and discussions among the attorneys for the Declarant, the Association, and the OCCPO, the original drafts of the amendments have been revised in an effort to reach a fair and reasonable compromise on matters of concern to each of their clients. Work is continuing on the amendments to the Declaration and they will be presented at a later date. However, the Proposed Amendments to the Articles and Bylaws have been presented to the Board with a request from the Declarant, the attorney for OCCPO, and the directors elected by the property owners that they be presented to the members for their consideration.

Copies of the proposed amendments to the Articles and Bylaws are enclosed in this package for your review and consideration. The amendments to the Bylaws are blacklined to reflect the changes to the existing Bylaws (lines striking through text indicates deleted language, and double underlining indicates inserted text). The amendment to the Articles describes the changes being made. Copies of the existing Articles and Bylaws, as well as a "clean," no-blackline version of the proposed Bylaws amendment, have been posted to the Association's website if you wish to compare them.

B. Process; Required Approvals. The Board has directed that the proposed amendments to the Articles and the Bylaws be put to a vote of the members, with votes to be cast by ballot outside of a meeting as permitted by the Georgia Nonprofit Corporation Code. In order to avoid inconsistencies among the governing documents, the approval and effectiveness of the proposed amendments to the Bylaws are expressly conditioned upon the proposed amendments to the Articles also being approved.

Due to the fact that a majority of the current Board members are still appointed by the Declarant and the potential conflict of interest that presents, the Board has elected not to make any formal recommendation on the matter of whether the amendments should be approved. A ballot is enclosed for your use in casting your vote as you see fit on the proposed amendments to each document. You may cast one vote for each lot you own in Osprey Cove.

Note that, in order to be adopted, the proposed Articles of Amendment to the Articles of Incorporation require the approval of 75% of the membership and the proposed Amended and Restated Bylaws require approval of two-thirds (2/3) of the votes cast (a quorum being represented) or a majority of the total voting power of the membership, whichever is less. It is important that the owner(s) of every Lot participate in this process through the individual identified in the Association's records as entitled to cast the vote for such Lot, or a proxy holder identified in a valid proxy executed by such individual. If you own more than one Lot, it will be presumed that the person casting your ballot is casting all of the votes which you are entitled to cast, unless otherwise expressly noted on the ballot.

Ballots may be cast by mail or transmitted electronically via email to lfreeman@sentrymgt.com, or delivered by hand to the attention of the Secretary at the address set forth on the ballot, but **must be received by the Association no later than 5:00 p.m. on Tuesday, May 1, 2018.**

II. Special Meeting and Election of Directors

In anticipation of the possible approval of the proposed amendments to the Articles and Bylaws and the Declarant's removal of its appointed directors, the Board is hereby calling for a **special meeting of the members to be held at 6:00 p.m. on Tuesday, May 8, 2018, at the Cumberland Inn & Suites – St Mary's, 2710 Osborne Road, St. Mary's, Georgia 31558** for the purpose of announcing the results of the membership vote on such amendments and, if the amendments are approved, allowing the members to elect 3 directors to succeed those directors currently serving at the discretion of the Declarant, with the newly elected directors to take office on May 8, 2018.

If you are unable to attend the meeting in person, please execute and deliver a proxy using the form provided in this package, designating another member or the Secretary of the Association to cast your vote as you direct in the proxy form. Instructions are included with the proxy form.

We encourage your participation in both steps of this important process. We hope to see you at the special meeting on May 8th.