

OSPREY COVE OWNERS' ASSOCIATION, INC.
SUMMARY OF PROPOSED AMENDMENTS

The Board of Directors has proposed amendments to the Bylaws of Osprey Cove Owners' Association, Inc. ("Bylaws") and the Articles of Incorporation of Osprey Cove Owners' Association, Inc. ("Articles"). As an aid to your review, attached below is a summary of the proposed changes.

1. ARTICLES:

- a. The proposed Articles of Amendment remove the requirement that all directors serve a 1-year term, in order to allow for longer terms, that are staggered, to create institutional memory for the corporation.
- b. The proposed Articles of Amendment delete a requirement for a 60% quorum to be achieved before allowing a vote of on any amendment to the Articles.
- c. The proposed Articles of Amendment delete HUD/VA approval requirements that would be applicable only during the development period.

2. BYLAWS:

- a. The proposed amendments to the Bylaws remove provisions that are redundant, and possibly conflicting with the Declaration, by deleting the existing definitions and incorporating the Declaration's definitions by reference.
- b. The proposed amendments further clarify membership rights, without changing them. (Section 3.1.)
- c. The proposed amendments establish timeframes for holding meetings and expressly allow for notices, meetings, and votes to be held by electronic means as well as lowering quorum to a standard generally used in community associations in Georgia. (Article III.)
- d. The proposed amendments clarify, in Article IV, the qualifications, nomination, election, terms, dealing with vacancies, and removal for directors. This includes establishing longer, staggered terms for newly elected directors.
- e. The proposed amendments establish, in Article V, a requirement for the board to hold an organizational meeting following the election of directors, as well as modernize the notice provisions, allowing for electronic notices to be given, electronic participation in meetings, and requires that board meetings be open (except in the case of certain circumstances). The changes further outline how the board can take action outside of a meeting.
- f. The proposed amendments, in Article VI, better and more clearly define the board's authority to act and its duties to perform.
- g. The proposed amendments, in Article VII, make modifications to require that certain officers be members of the board of directors, to clarify the appointment of officers and their terms, how to fill a vacancy, and further clarify the duties of the president and treasurer.
- h. A new Article IX is added to the Bylaws to establish a standard of conduct for the board as well as all for the indemnification of directors and officers acting within the scope of their duties, outline the conditions under which expenses are reimbursed, and clarify that directors and officers are not to be compensated for performing their duties.
- i. A new Article X is added to the bylaws to permit hiring a management agent, to outline standards for the accounts and reports that must routinely be maintained,

place limitations on Association borrowing, and require two officers to sign checks, contracts and other similar documents.

- j. A new Article XI is added to the Bylaws to clarify the processes related to imposing sanctions against members, to provide for better and more clearly established processes for the sake of fairness.
- k. Article XII (the old Article X), regarding books and records is modified to outline the records that the Association must keep and member rights to inspect such records.
- l. Article XIV (the old Article XII) is modified to provide for a more clear amendment process, removing the FHA/VA approval requirements that are only applicable during a developer's control of a board, and providing the Declarant with the right to notice of and the right approve (or ignore) proposed amendments so long as the Declarant owns a Lot or has the right to annex "Additional Property" to the Declaration.