

A Summary of The Amended and Restated Consolidating Master Deed & Bylaws Changes

TO THE MEMBERS OF

THE VILLAGES OF OSCODA OWNERS' ASSOCIATION

Re: Proposed Amendments to The Villages of Oscoda Owners' Association, Articles of Incorporation, Consolidating Master Deed, and Condominium and Association Bylaws

Dear The Villages of Oscoda Co-owner, The Board of Directors has approved amendments to The Villages of Oscoda: (1) Articles of Incorporation; and (2) Master Deed and Condominium Association Bylaws. The deadline to vote on the amendments will be at the close of the Annual Meeting; the same meeting at which the Association will also conduct its annual vote for new directors. This correspondence explains the voting process for the election of directors and the vote on the proposed amendments. Specific instructions are contained in the Ballots themselves.

You will be provided with two (2) Notices and two (2) Ballots. One Notice and Ballot applies to the Annual Meeting itself and the election of directors. The second Notice and Ballot applies to the vote on the proposed amendments. Both Ballots must be completed and returned to the Association prior to or at the July 20, 2019, Annual Meeting in order to be counted. If you are unable to attend the Annual Meeting, then you may submit the Ballots to the Association c/o Tammy Velten, Property Manager, The Villages of Oscoda Owners' Association, 5631 Georgia Drive, Oscoda MI 48750, office@voohoa.com.

A. Election of Directors

Enclosed will be a package of material to assist in the election of directors. Included will be a Notice of the Annual Meeting, a Ballot to use to vote on directors, and a summary of the backgrounds and qualifications of the candidates who are running for election. You are encouraged to review the candidates' summaries and attend the July 20, 2019, Annual Meeting. Please complete and return your Ballot prior to or at the July 20, 2019, Annual Meeting. The election of directors at the 2019 Annual Meeting is separate and independent from the vote on the proposed amendments, which is described below.

Please review the instructions on the Ballot for the election of directors. As stated above, please return your completed Ballot to the Association prior to the July 20, 2019, deadline, or at the July 20, 2019, Annual Meeting. Any Ballots returned after the July 20, 2019, deadline will not be counted.

B. Proposed Amendments.

Also enclosed will be a package of material to assist in the vote on the proposed amendments, including a Notice of Vote at the Annual Meeting, a Ballot for voting, a mortgagee form, and the proposed amendments. The proposed amendments have been approved by the Board of Directors and are now being submitted to the Co-owners of The Villages of Oscoda for a vote at the Association's July 20, Annual Meeting.

Please complete and return your Ballot prior to or at the July 20th Annual Meeting. Ballots received after the July 20, 2019, deadline will not be counted. Quorum is 25% in value of Members qualified to vote. Passage of the Amended and Restated Articles of Incorporation requires the consent of a majority of votes cast of members of the Condominium. Passage of the Amended and Restated Consolidating Master Deed and Condominium Bylaws requires the affirmative vote of not less than sixty-six and two-thirds (66 2/3%) percent in value of the Co-owners qualified to vote. Please review the instructions on the Ballot. Please mark an "X" in either "YES" or "NO" on each question on the Ballot depending on whether you approve or disapprove of the proposed amendment. In addition, please complete the enclosed mortgagee form which will assist the Association in conducting the mortgagee vote described below.

In addition, the Board of Directors will be conducting an Informational Meeting on Saturday, June 8, 2019 at 10:00 a.m. If you have any questions about the amendments or the amendment process, you are encouraged to attend this June 8, 2019, Informational Meeting.

Although not intended to be exhaustive, a summary of some of the changes are listed below:

Articles of Incorporation:

The Association's original Articles of Incorporation were filed in 1998. In 2008 and 2015, the Michigan legislature made major revisions to the Nonprofit Corporation Act. New Article VI includes the ability to utilize electronic voting, proxies and absentee ballots in line with the 2008 and 2015 Amendments.

Article VII, Section 2, includes protections for good faith actions by volunteer directors, volunteer officers and nondirector volunteers. These provisions reflect the January 15, 2015 changes to the Michigan Nonprofit Corporation Act.

Article IX includes a provision regarding Action without Meeting for both Association meetings and Board meetings.

Master Deed:

Legal Description. The legal description contained in the Consolidating Master Deed was corrected to include the former 8-Plex Area now known as “Freedom Park”.

Developer’s Right to Amend. The Developer’s right to unilaterally amend was removed, along with other rights previously held by the Developer.

Inclusion of New Article XIII Regarding Compliance. Article XIII creates a hierarchy of priority in the event any of the Condominium Documents conflict.

Bylaws:

The Consolidating Condominium Bylaws recorded at Liber 852, Page 50, Iosco County Records were combined with the unrecorded Association Bylaws.

Article II, Sections 3.B. and 3.C., clarifies the distinction between an additional assessment (which does not require member approval), and a special assessment (which does require member approval). In the current Bylaws, a special assessment requires disapproval of a majority of members to fail. In the proposed Bylaws, a special assessment would require approval of a majority to pass.

Article III, Section 3 adds a mediation provision.

Article IV, broadens the insurance requirements for a Fidelity Bond which protects the Association for losses that they incur as a result of fraudulent acts by specified individuals.

Article IV, maintains the Directors and Officers Liability coverage to protect from specific claims against volunteers. See also new Article XII which specifically addresses “Indemnification of Officers and Directors; Directors’ and Officers’ Insurance”. The proposed bylaws prohibit compensation of Directors.

Article IV, Section 4, includes a provision regarding the expenditures affecting the administration of the project as required by MCL 559.154(4).

Article V, Section 1 designates the percentage required to terminate the Condominium in the event of its destruction as 66 2/3% of institutional holders of first mortgage liens.

Article V, revises the hierarchy of responsibility for repairs and the items involved in said repairs.

Article VI incorporates the Architectural Control provisions from the current Bylaws.

Article VII, Section 1(A), specifies the appropriate use(s) of the Units.

Article VII, Section 2, revises the bylaws pertaining to leasing restrictions and the procedures for leasing.

Article VII, Section 3(a), includes a provision regarding the FCC rule regarding satellite dishes and antenna.

Article VII, Section 3(b), revises the provision regarding modifications or improvements for the disabled as required by Michigan law. This includes a revision that requires the ACC to approve or deny a request within 60 days or allow the alteration without approval.

In Article VII, Section 5, the restrictions on animals were revised.

Article VII, Section 8(E), revises the provision regarding non-operational vehicles consistent with the Michigan Vehicle Code regarding the ‘stickering/tagging’ and towing of vehicles.

Article VII, Section 10, expands the list of dangerous items/weapons.

Article VII, Section 17, adds a provision regarding draperies and curtains to maintain consistency throughout the Condominium. Also, Co-owners are precluded from adding bars or other visible security protections on the inside or outside of the windows.

Article VII, Section 19, adds a provision regarding internet security including accessing Wi-Fi, internet, cable or other telecommunication signals, lines or transmissions.

Article VII, Section 21, adds a provision regarding social media use.

Article VII, Section 22, adds a provision regarding solar panel installation and responsibility for same.

Article VII, Sections 23 through 33 are largely incorporated from the current Bylaws.

Article IX, Section 6, reduces the percentage to obtain a quorum to 20%.

Article IX, Section 7, adds alternative methods of voting as options in accordance with the recent amendments to the Michigan Nonprofit Corporation Act which were implemented on January 15, 2015.

Article XI, Section 2, adds a provision regarding the term of Directors.

Article XI, Section 11, includes the Board's ability to perform an action without meeting.

Article XI, Section 12, adds a provision regarding privileged minutes of the Board of Directors in accordance to the 2015 Amendment to the Michigan Nonprofit Corporation Act.

Article XI, Section 13, adds a provision regarding remote participation by the Board that is consistent with the 2015 Amendment to the Michigan Nonprofit Corporation Act.

Article XIV, Section 5, includes the audit requirement contained in MCL 559.157 of the Condominium Act which went into effect January 14, 2014.

Article XV, includes a procedure for amending the Amended and Restated Consolidating Bylaws in the future.

During the voting process, one or more members of the Board of Directors or members of your community may knock on your door and solicit your vote or your proxy. If approval for the Articles of Incorporation is obtained, then the Amended and Restated Articles of Incorporation will be submitted to the State of Michigan for filing and will be effective upon such filing.

If approval for the Amended and Restated Consolidating Master Deed and Bylaws is obtained, then the Amended and Restated Consolidating Master Deed and Bylaws will be submitted to the mortgagees for a mortgagee vote.

If the mortgagees approve, then the condominium documents for The Villages of Oscoda will then be submitted for recording with the Register of Deeds and will become effective on the date of recording. Thereafter, a copy of the recorded documents will be mailed to each Co-owner.

**Should you have any questions, please contact the Board of Directors,
or plan to attend the Informational Meeting scheduled for
Saturday, June 8, 2019, at 10:00 a.m. at the Association Clubhouse
5631 Georgia Dr., Oscoda, MI
989-739-4915**