

SUMMARY OF PROPOSED AMENDMENTS

This is a very brief overview of the proposed changes. See the Amended and Restated documents that were provided in this email.

AMENDED AND RESTATED DECLARATION

- ☑ Requires approval of 2/3 of the members voting at the meeting with a quorum present to be adopted.
- ☑ The changes on pages 1-2 just describe the amendment process that is being used to adopt the amendments.
- ☑ References to Virginia law have been updated to reflect revised numbering of the Virginia Code.
- ☑ Many changes throughout the document delete language regarding the developer (referred to as the “Company” or “Type ‘B’ Member”), the development process, and the original plan for River Watch that are no longer relevant now that initial development is complete, and reflect that the Association has taken over many responsibilities that were originally exercised by the developer.
- ☑ Article II, Section 5 is being amended to allow 2 or more adjacent lots to be combined but to provide that, for assessment and voting purposes, the lots will still be treated as separate lots as they were originally set up at the time of development of Riverwatch.
- ☑ Language was added in Article III, Section 2(e) to clarify that right of the Association to suspend access to the Open Space for non-payment of assessments.
- ☑ References to the “Review Party” were removed to refer just to the Architectural Review Board/ARB instead since there are no longer separate entities for review of requests to make modifications on lots. This also clarifies that any fees paid for review are paid to the Association rather than to a separate “Review Party” controlled by the developer.
- ☑ Language throughout the Declaration allowing guest quarters has been removed (this would not impact any existing guest quarters that were properly approved as required by the existing Declaration).
- ☑ The standards for new construction/modifications have been updated to utilize current standards used by the ARB and to address current laws/requirements regarding items such as satellite dishes, flags, and solar panels.
- ☑ Article VI, Section 2 is being amended to limit whole home rentals.
- ☑ Article VI, Section 8 is being amended to update the restrictions regarding commercial vehicles, trailers, boats, and similar items.
- ☑ Article VII, Section 1 is being amended to clarify that as part of lot upkeep fallen branches, trees, leaves, etc. are to be promptly removed by the lot owner.
- ☑ Article VII, Sections 2 and 3 are being amended to clarify that if the Association must enter onto a lot to correct erosion issues or to address a failure by the lot owner to mow, remove weeds, prune underbrush, etc. the costs of that will be charged to the owner. The right to correct these issues already existed and any such entry onto a lot still requires advance notice and the opportunity for the lot owner to correct the issue.

- ☒ Article VIII is being amended to clarify the ability to use assessment income for administrative and operating expenses of the Association, to use special assessment income for any obligation of the Association, and to eliminate language that is no longer relevant regarding the initial assessment and the ability to charge an amount over the normal assessment amount for garbage collection. Any assessment increases of more than 10% over the prior year would require approval of the members by vote at a membership meeting.
- ☒ Article XI, Sections 3 and 4 are being amended to simplify the process of amending the Declaration and to eliminate language that allowed the developer to amend the Declaration.
- ☒ Language in Article XI, Section 10 has been revised to make the alternative dispute resolution process easier to follow.

AMENDED AND RESTATED ARTICLES OF INCORPORATION

- ☒ Requires approval of 2/3 of the members voting at the meeting with a quorum present to be adopted.
- ☒ Article II is being amended to clarify that the Riverwatch Homeowners' Association, Inc. is the Association referenced in the Declaration and to eliminate language regarding tax status that are not applicable to the Association or the manner in which it has historically been treated for tax purposes.
- ☒ Article III is being amended to eliminate the distinction between Type "A" members (lot owners) and the Type "B" member (the developer) now that the developer is no longer a member and the Type "B" membership no longer exists. The changes to this section also eliminate language regarding owners being able to assign voting rights to tenants and clarify that absentee ballots and electronic voting can be used as is now permitted by state law.
- ☒ Articles IV and V are being amended to remove language that is no longer relevant regarding the Board of Directors appointed by the developer and the initial election held to allow the lot owners to elect the Board.
- ☒ The prior Article VI is being deleted to eliminate the reference to the original registered agent for the Association. Registered agent information is now updated with the State Corporation Commission as it changes and does not need to be in the Articles of Incorporation.
- ☒ The prior Articles VII, VIII, and IX are being amended to clarify that absentee ballots and electronic voting are now permitted and to eliminate language requiring developer approval for certain assessment decreases, mergers, etc.