

AMENDMENT TO BY-LAWS OF OCEAN DUNES HOMEOWNERS ASSOCIATION, INC.

At a meeting of the member of Ocean Dunes Homeowners Association, Inc. held on May 6, 1995, and by an affirmative vote of a majority of the Board of Directors and of the members owning condominium units entitled to vote not less than two-thirds (66-2/3%) or more of the votes of the Association, it was decided to amend the original by-laws of Ocean Dunes Homeowners Association Inc, as follows:

1. Article I, General, is amended by deleting the phrase:

"and all future phases, if any".

2. Article I, General, paragraph A., the first sentence is amended by deleting the following phrase:

"and all future phases, if any".

3. Article I, General, paragraph C., is hereby deleted in its entirety and the following is substituted in lieu thereof:

"C. The office of the Association will be Ocean Dunes Homeowners Association, P.O. Box 269, Kure Beach, North Carolina 28449."

4. Article I, General, paragraph D. is deleted in its entirety and the following is substituted in lieu thereof:

"D. The fiscal year of the Association shall be calendar year."

5. Article I, General, paragraph E., is hereby added as a new paragraph as follows:

"E. Any owner who brings an action in law or in equity against the Association shall pay all the expenses incurred by the Association as a result of the action brought by the Owner, including reasonable attorney's fees, if the association is successful against the unit owner in such action; but in no event shall any unit owner be entitled to recover such attorney's fees from the association."

6. Article III, Annual and Special Meeting of Membership, paragraph A. is hereby amended by adding the following sentence:

"Minutes of the meeting shall be issued to all members within one month following the meeting."

7. Article III, Annual and Special Meeting of Membership, paragraph B. is hereby amended by adding to such paragraph the following:

"Minutes of the special meeting shall be issued to all members within one month following the meeting."

8. Article III, Annual and Special Meeting of Membership, paragraph D. (iv) is hereby deleted in its entirety and the following is substituted in lieu thereof:

"Reports of officers, including reports on the physical and financial status of the facilities and the Association."

9. Article IV, Board of Directors, paragraph A. is hereby deleted in its entirety and the following is substituted in lieu thereof:

"Board of Directors: The Board of Directors of the Association shall consist of five (5) persons whose terms shall expire on the date of the annual meeting two (2) years from the date of election. All members of the Board of Directors shall be members or employees of a corporate member of the Association."

10. Article IV, Board of Directors, paragraph B (i) is hereby deleted in its entirety and the following is substituted in lieu thereof:

"(i) All members of the Board of Directors shall be elected by a plurality of the votes cast at the annual meeting of the members of the Association."

11. Article IV, Board of Directors, paragraph B (iii) is hereby deleted in its entirety and the following is substituted in lieu thereof:

"(iii) The Directors of the Association shall be elected at that annual meeting as the regular terms of the Directors expiring at such time, and the term of office of the Director so elected at the annual meeting of the members each year shall be two (2) years expiring at the second annual meeting following their election, and thereafter until their successors are duly elected and qualified and qualified or until removed in the manner elsewhere provide or as may be provided by law."

12. Article IV, Board of Directors, paragraph B (v) is hereby deleted in its entirety and the following is substituted in lieu thereof:

"(v) Any unit owner who wishes to be a candidate for election to the Board of Directors shall submit his or her name in writing to the Secretary of the Association by March 1 of each year. The member may submit a brief biographical sketch. Identification of candidates for election to the Board of Directors and a biographical sketch if submitted, shall be sent to all unit owners with the notice of the annual meeting. No nominations to the Board of Directors shall be made from the floor at the annual meeting."

13. Article IV, Board of Directors, paragraph C is hereby amended by adding the following sentence:

"The officers for the Board for the ensuing year will be elected at this meeting."

14. Article IV, Board of Directors, paragraph H is hereby deleted in its entirety and the following is substituted in lieu thereof.

"H. Presiding Officer: The presiding officer of directors' meeting shall be the President of the Board, however in the President's absence, the Vice-President of the Association shall preside. In the absence of both of the above, the Directors shall designate one of their members to preside."

15. Article IV, Board of Directors, paragraph K is hereby deleted in its entirety.

16. Article IV, Board of Directors, paragraph L is hereby deleted in its entirety.

17. Article IV, Board of Directors, paragraph M is hereby deleted in its entirety and substituted as new paragraph K as follows:

"K. Removal: Any one or more of the members of the Board of Directors may be removed, either with or without cause, at any time by a vote of the members owning a majority of the Condominium Units in the Condominium, at any special meeting called for such purpose, or at the annual meeting."

18. Article VI, Finances and Fiscal Management, paragraph D is hereby deleted in its entirety and the following is substituted in lieu thereof:

"D. Audits: An audit of the accounts of the Association shall be made annually by a certified public accountant and a copy of the report shall be furnished to each member not later than June 1 of the year following the year for which the report is made."

19. Article XI. Suspension of Rights, is hereby deleted in its entirety and the following is substituted in lieu thereof:

"Suspension of Rights  
The Board may suspend, by a majority vote of the Board, the voting rights, the right to hold office, and use of the common facilities except parking of a member and/or his/her guests during any period in which the member shall be in default in the payment of any dues, assessments, penalties or fines, imposed by the Corporation. Such rights may be suspended, after notice of hearing, for a period not to exceed sixty (60) days for violation of the Association's Rules and Regulations, these By-Laws or the condominium documents."

IN WITNESS WHEREOF, Ocean Dunes Homeowners Association, Inc., has caused this Amendment to By-Laws to be executed in its name by its President, sealed with its corporate seal, and attested by its Secretary, this the 4th day of August, 1995.

OCEAN DUNES HOMEOWNERS ASSOCIATION, INC.