

INSTRUMENT # 2003001054
STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVER

**AMENDMENT TO THE DECLARATION CREATING UNIT OWNERSHIP OF
PROPERTY FOR OCEAN DUNES AMENDING THE BY-LAWS OF
OCEAN DUNES HOMEOWNERS ASSOCIATION, INC.**

THIS AMENDMENT TO THE DECLARATION CREATING UNIT OWNERSHIP OF PROPERTY FOR OCEAN DUNES AMENDING THE BY-LAWS OF OCEAN DUNES HOMEOWNERS ASSOCIATION, INC. ("Amendment") by the Ocean Dunes Homeowners Association, Inc. (the "Association" or "ODHOA"); and all UNIT OWNERS of Units within Ocean Dunes, a condominium established and described by the DECLARATION CREATING UNIT OWNERSHIP OF PROPERTY under the provisions of Chapter 47A of the North Carolina General Statutes, recorded on December 2, 1982, in Book 1213 at Page 83 of the New Hanover County Registry as amended from time to time (the "Declaration").

RECITALS:

WHEREAS, the ODHOA By-laws, which are attached to the Declaration and recorded in Book 1213 at Page 178 of the New Hanover County Registry and amended by instruments recorded in Book 1254 at Page 287 and Book 1912 at Page 201 of the New Hanover County Registry, provide in Article VIII thereof a procedure by which amendments to the By-laws may be proposed and adopted, and

WHEREAS, at the ODHOA annual meeting held on May 4, 2002, and by an affirmative vote of a majority of the ODHOA Board of Directors (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 modify the original ODHOA By-Laws as hereinafter set forth in this Amendment, all in accordance with the Declaration and the By-laws of the Association.

NOW, THEREFORE, the ODHOA By-laws have been and the same hereby are duly amended by the aforesaid amendments approved by the Board of Directors and the unit owners, said amendments being as follows:

1. Article VI (Finances and Fiscal Management) of the ODHOA Bylaws are hereby amended to add a new Section F to Article VI (Finances and Fiscal Management), which new sections reads as follows:

The Board of Directors shall not cause by borrowing money on behalf of the Ocean Dunes Homeowners Association, Inc., even in dire emergencies [subject to Article X, Section 10.11(e)(Assessments/Budgets) of the Declarations] an indebtedness of any nature greater than \$50,000.00 per calendar year without approval by majority vote of the Association unit owners. The foregoing is not applicable to accepted financing practices for insurance purchases.

2. Article IV (Board of Directors) of the ODHOA By-laws is hereby amended to provide that the Board of Directors of the Association shall consist of seven (7) persons whose terms shall expire on the date of the Annual Meeting two (2) years from the date of election of each seat on the Board. The two additional Board Members authorized by these amendments shall hold the office

of Second Vice-President and Assistant Treasurer as specified in Article V-A (officers) of the By-Laws. Accordingly, the second sentence in Section A of Article IV (Board of Directors) is hereby changed to read as follows:

Each succeeding Board of Directors shall consist of seven (7) persons whose terms shall expire on the date of the Annual Meeting two (2) years from the date of election.

The two additional Board Members authorized by these amendments shall initially hold the office of Second Vice-President and Assistant Treasurer as specified in Article V-A (officers) of the By-Laws.

3. Articles VI (Finances and Fiscal Management) of the ODHOA By-laws are hereby amended to provide a new procedure for the adoption of the annual budgets by the membership of ODHOA. A new Sub-Section (iii) to Section B of Article VI (Finances and Fiscal Management) is added, which new sub-section reads as follows:

Within thirty (30) days after adoption of any proposed budget for ODHOA by the Board of Directors, the Board of Directors shall provide a summary of the budget to all unit owners to consider ratification of the budget during a period of not less than fourteen (14) nor more than thirty (30) days after mailing of the summary. There shall be no requirement that a quorum be present at the meeting for the purpose of adoption of the proposed budget. The budget shall be deemed ratified unless at that meeting a majority of all unit owners at the meeting reject the budget. Unit owners may submit by proxy to the Secretary a vote to reject or approve the budget. The proxy must be received prior to the date of the meeting to ratify the budget. In the event the proposed budget is rejected, the periodic budget last ratified (or last operated under) shall be continued until such time as the unit owners ratify pursuant to the foregoing procedure a new budget proposed by the Board.

To the extent that the foregoing amendments to the ODHOA By-laws conflict with any provisions in the Declaration, By-laws or any previous amendments thereto, the amendments set forth above shall control.

The undersigned officer certifies on behalf of ODHOA that this Amendment was duly adopted as aforesaid and that the ODHOA By-laws are amended as set forth herein.

REBECCA T. CHRISTIAN
REGISTER OF DEEDS, NEW HANOVER
JUDICIAL BUILDING
316 PRINCESS STREET
WILMINGTON, NC 28401

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State of North Carolina, County of New Hanover
The foregoing certificate of A S MARTIN Notary is certified to be correct. This 8TH of January 2003
REBECCA T. CHRISTIAN, REGISTER OF DEEDS

YELLOW PROBATE SHEET IS A VITAL PART OF YOUR RECORDED DOCUMENT.
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