

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

The Ocean Dunes Homeowners Association, Inc. (the "Association" or "ODHOA") By-laws, which are attached to the Declaration of Condominium and recorded in Book 1213 at Page 178 (1982) of the New Hanover County Registry and amended by instruments recorded in Book 1254 at Page 287 (1984), Book 1912 at Page 201 (1995), and Book 3596 at Page 241 (2003) 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.

At a meeting of the members of the Ocean Dunes Homeowners Association, Inc. and subsequent collection of ballots culminating on December 31, 2012, and by an affirmative vote of a majority of the Board of Directors (more than fifty percent [50%]) and not less than two-thirds percent (66-2/3%) of the votes of the Association (members in good standing owning condominium units of the Association), it was decided to amend the current by-laws of Ocean Dunes Homeowners Association Inc., as follows:

1. Throughout, correct misspellings, grammar, and document titles, as specified below.
 - **ARTICLE II-A:** "The qualification of members, the manner of their admission to membership and termination of such membership and voting members, shall" is amended by adding a comma after "membership" and deleting the comma before "shall."
 - **ARTICLE IV-B-iv:** Is amended by changing "Declaration" to "Declaration of Condominium".
 - **ARTICLE IV-B-v:** Is amended by adding a comma after "sketch" ("and a biographical sketch, if submitted,").
 - **ARTICLE V-A:** Is amended by changing "pre-emptorily" to "peremptorily".
 - **ARTICLE VI-B-iii:** Is amended by changing "Declaration" to "Declaration of Condominium".
 - **ARTICLE VI-F:** Is amended by changing "Declarations" to "Declaration of Condominium".
 - **ARTICLE XII:** Is amended by changing "Onwers" to "owners".
 - Throughout, the terms "home owner(s)" and "homeowner(s)" (except in the name of the Association) are amended to use the terms "member(s) or unit owner(s)."
 - Throughout, the terms "board" and "Board" are amended to use the phrase "Board of Directors."
 - Throughout, the term "board member(s)" is amended to use the term "Director(s)."
 - Throughout, the terms "which" and "who" that introduce a restrictive clause are amended to use the term "that."
 - Throughout, the use of the masculine pronouns "he," "him," or "his" are amended to use the terms "he/she," "him/her," or "his/hers."

2. **Article I-GENERAL:** is amended by deleting the phrase
"or to be established"

3. **Article I-C:** Is amended by changing the PO Box address to:

"1 Neptune Place"

and by adding zip code "28449"

4. **Article II-C:** Is amended by adding after:

"Secretary of the Association"

the following:

", property manager, or to an alternative person designated by the Board of Directors."

5. **ARTICLE III-C:** Is amended by changing:

"mailed or presented personally"

to:

"mailed, emailed, or presented personally"

6. **ARTICLE III-C:** Is amended by adding after:

"was received by him"

the following:

"If emailed, an electronic copy shall serve as proof of notification. It is the members' responsibility to keep the Board of Directors apprised of their current email address."

7. **ARTICLE IV-B-ii:** Is amended by adding after:

"Vacancies in the Board of Directors may be filled until the date of the next annual meeting by the remaining Directors."

the following:

"The Board of Directors, in their discretion, may choose whether to immediately fill the vacancy. If the vacancy is not immediately filled, the vacancy shall be filled at the next annual meeting. If the Board of Directors decides to fill the vacancy prior to the next annual meeting, the Board of Directors shall announce the vacancy to all members and invite any members that desire to fill the vacancy to submit to the Board of Directors, in writing, their name and any information that the member would like the Board of Directors to consider. Any member that applies to fill the vacancy must be in good standing as reported by the Treasurer (no assessments in arrears more than sixty [60] days). The Board of Directors shall then choose from those applicants, or any other members in good standing it deems appropriate, to serve on the Board of Directors for the remainder of the vacant Director's term."

8. **ARTICLE IV-B-iii:** Is amended by adding the following sentence at the end:

"Failure to vote (that is, if a member does not return a ballot) does not count as either an affirmative or a negative vote in the final vote tally."

9. **ARTICLE IV-B-v:** Is amended by adding the following sentence at the end:

"A member must be in good standing as reported by the Treasurer (no assessment in arrears more than sixty [60] days) to run for a seat on the Board of Directors or serve on a committee."

10. **ARTICLE IV-D:** Is amended by changing the term:

"telegram"

to:

"email"

11. **ARTICLE IV-D:** Is amended by adding the following at the end:

"The Board of Directors may meet by videoconference and teleconference, as long as all Directors participating can hear each other at the same time and, if by videoconference, can see each other as well. Directors may also vote via email according to written email procedure determined by the Board of Directors. All notices of meetings and their minutes can also be distributed to members by electronic means."

12. **ARTICLE IV-E:** Is amended by replacing:

"Not less than three (3) days notice of a meeting shall be given to each Director, personally or by mail, telephone, or telegraph, which notice shall state the time, place, and purpose of the meeting."

with the following:

"Notice of special meetings shall be given to each Director, personally or by mail, telephone, or email, at least three (3) days prior to the day named for such meeting, unless notice is waived. Notice shall state the time, place, and purpose of the meeting. The Board of Directors may meet by videoconference and teleconference, as long as all Directors participating can hear each other at the same time and, if by videoconference, can see each other as well. Directors may also vote via email according to written email procedure determined by the Board of Directors. The results of such meetings will be reported in the minutes at the next regular meeting."

13. **ARTICLE IV-I:** Is amended by deleting this section regarding directors' fees in its entirety.

14. **ARTICLE IV-I:** Is amended by adding a new subsection (I):

"TERM LIMITS: A Director cannot serve more than two consecutive terms. They must take one year off before serving on the Board of Directors."

- 15. Article V-G:** Is amended by deleting the subsection in its entirety and replacing it with new subsection (G):

"No association member, Director, or members of their immediate families shall be a paid employee of the Association, serve as a paid property manager of the Association, or be a paid employee of the property manager."

- 16. ARTICLE VI-B-iii** and its amendment (from 2003) is amended by adding after:

"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."

the following phrase:

"and shall set a meeting date for all unit owners."

- 17. ARTICLE VI-B-iii** and its amendment (from 2003) is amended by revising the following sentence:

"The budget shall be deemed ratified unless, at that meeting, a majority of all unit owners at the meeting reject the budget."

to:

"The budget shall be deemed ratified unless, at that meeting, a majority of all unit owners present at the meeting or by proxy reject the budget."

- 18. Article VI-B-iv:** Is amended by adding a new subsection (iv):

"Each member has the right to examine, at reasonable times and with at least fifteen (15) days written notice, the following financial records of the Association for the prior three (3) years: (a) annual and monthly income and expense statement, (b) annual and monthly balance sheet, and (c) the annual audit report required under Article VI, Paragraph D.

These financial records shall be provided one time to members at no charge. The Association may comply with this requirement by posting the documents on the Association's website. If the Association complies with this requirement by posting the documents on the website, any request by a member to further review these financial records shall be subject to a reasonable charge for labor and materials to assemble and/or copy the records.

Any request to examine any records, other than the ones described above, shall be subject to the same fifteen (15) days written notice and a reasonable charge for labor and materials to assemble and/or copy the records. No member shall be entitled to inspect or copy, except with a valid court order, the following financial records: (a) records subject to the attorney/client privilege; (b) records prepared in anticipation of litigation;

(c) records that would reveal personal information of a member, such as social security numbers, bank, or credit card information; (d) records that, in the opinion of the Association's counsel, are protected under any state or federal privacy or debt collection laws; and (e) records regarding the assessments owed by a member, unless these are the records of the member making the request."

19. Article VIII-F. Is amended by deleting this subsection in its entirety:

"Notwithstanding the foregoing provisions of this Article VIII, no amendment to these By-Laws which shall abridge, amend or alter the right of the Declarant to designate and select members of each Board of Directors of the Association, as provided in Article IV hereof, may be adopted or become effective without the prior written consent of the Declarant."

20. Article VIII-G. Is amended by deleting this subsection in its entirety:

"As long as the Declaration retains management and control of the Association, as set out in Article X of the Declaration, any amendments to the By-Laws will be subject to the approval of the Veterans Administration or the Federal Housing Authority."

21. ARTICLE IX: Is amended by adding after "47A"

"and Chapter 55A"

22. ARTICLE XI: Is amended by deleting the current paragraph and replacing it with the following:

"The Board of Directors may suspend, by majority vote of the Board of Directors, a member's voting rights, the right to hold office, privileges, or services provided by the Association and use of the common facilities (except parking by a member and/or the guest of a member) during any period in which the member shall be in default in payment of any dues, assessments, penalties, or fines imposed by the Association. Such rights, privileges, and services may be suspended, after notice and hearing, until the default has been cured. The Board of Directors, upon report of the Treasurer, shall determine if a member is in default. The Board of Directors shall then notify the member in writing of the default and the member can request, in writing within ten (10) days of receipt of the notice, a hearing to dispute suspension of the rights, privileges, or services. If, after a hearing, the Board of Directors determines that the rights, privileges, or services should be terminated, said rights, privileges, and services shall only be restored after the default is cured and, during this period of time, the member, his/her immediate family, and his/her guests or renters shall also lose such rights, privileges, and services."

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 12th day of March, 2012.

Bill Moore, President
OCEAN DUNES HOMEOWNERS ASSOCIATION, INC.