

**AMENDED AND RESTATED
BYLAWS
OF
OCEAN HILL I PROPERTY OWNERS ASSOCIATION, INC.**

**Article I
Name and Offices**

Name and Location. The name of the Corporation is Ocean Hill I Property Owners Association, Inc., hereinafter referred to as the “Association”. The principal office of the Corporation shall be located at 200 N. Water Street, Suite 2A, Elizabeth City, NC 27909, but meetings of Owners and directors may be held at such places within the State of North Carolina, County of Currituck, as may be designated by the Board of Directors.

**Article II
Definitions**

Section 1. “Act” shall mean and refer to the North Carolina Nonprofit Corporation Act, Chapter 55A of the North Carolina General Statutes.

Section 2. “Articles of Incorporation” shall mean and refer to the Amended and Restated Articles of Incorporation of the Association, dated October 16, 2007, as the same may hereafter be amended or supplemented from time to time.

Section 3. “Assessment” shall mean and refer to any dues or assessments imposed by the Association.

Section 4. “Association” shall mean and refer to Ocean Hill I Property Owners Association, Inc., its successors and assigns.

Section 5. “Community Use Areas” shall mean all real property and facilities owned by the Association for the common use of the Owners, including but not limited to the roads and streets in the Ocean Hill, Section 1 Subdivision.

Section 6. “Declaration” shall mean and refer to the Declaration of Restrictive Covenants of Section 1 of Ocean Hill Subdivision, originally recorded in the Office of the Register of Deeds of Currituck County in Book 157, Page 143, as heretofore amended or supplemented and as the same may hereafter be amended or supplemented from time to time.

Section 7. “Lot” shall mean and refer to any plot of land lawfully subjected to the provisions of the Declaration.

Section 8. “Member” shall mean (a) the Owner of a Lot who is a natural person and is the sole record owner of the fee simple title to such Lot, (b) each co-owner, if multiple parties are owners of record of the fee simple title to a Lot, (c) an officer, director or other official of a fee simple title holder to a Lot, and (d) in the case of any such natural person, such person’s spouse, heirs or assigns.

Section 9. “Notice” shall mean a written communication to a person, unless oral notice is authorized by these Bylaws and written notice is not specifically required by the Act. Each Owner that has provided its contact e-mail address to any officer or agent of the Association shall be deemed to have agreed that notice sent to such address shall be deemed effective as a “written” notice. An Owner shall be entitled at any time, by written or e-mailed notice to the Secretary of the Association, to update its e-mail address or to require that all future written communications to such Owner must be sent via hard copy. Any notice by the Association to multiple Owners of record of a Lot shall be deemed effective if sent to any one of such Owners.

Section 10. “Owner” shall mean and refer (a) if a Lot has a single record owner of the fee simple title to such Lot, individually to such record owner and (b) if a Lot has co-owners of record of the fee simple title to such Lot, collectively to such record Owners, but excluding those having such interest merely as security for the performance of an obligation. In case all holders of record of the fee simple title to a Lot are deceased, its “Owner” shall be deemed for purposes of these Bylaws to be the heir(s) at law of the last living holder(s) of the fee simple title to said Lot. Owners are entitled to only one vote for each Lot owned.

Section 11. “Owner in good standing” shall mean and refer to an Owner who is not delinquent in payment of any assessments for their Lot.

Section 12. “Vote” includes, without limitation, authorization by written ballot and written consent. Any requirement that any vote of the Owners be made by written ballot or consent may be satisfied by a ballot or consent submitted by electronic transmission, including electronic mail, provided that such electronic transmission shall either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the Owner. Only Owners in good standing when a matter is voted on shall have the right to vote on such matter. In the case of multiple owners of record of the fee simple title to a Lot, no more than one vote may be cast with respect to such Lot, and such vote shall be executed as they, among themselves, determine, and their acts with respect to voting shall have the following effect: (a) if only one votes, such act binds all, and (b) if more than one votes, the vote shall be divided on a pro rata basis.

Article III **Meetings of Owners**

Section 1. Semiannual Meetings. Semiannual meetings of the Owners shall be held each year, with an annual meeting to be held on Columbus Day Weekend each year (sometimes referred to herein as the “October meeting”) and the other meeting to be held during the month of April each year, on the date, time and place as determined by the Board.

Section 2. Special Meetings. Special meetings of the Owners may be called at any time by the President or a majority of the Board of Directors, and shall be called within thirty (30) days after delivery to the Association of written demands by at least ten percent (10%) of all of the Owners who are then entitled to vote, which demands shall describe the purpose or purposes for which such meeting is to be held.

Section 3. Notice of Meetings. Written notice of each meeting of the Owners shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, either by e-mailing or by mailing a copy of such notice, postage prepaid, at least thirty (30) days (nor more than sixty (60) days) before such meeting, to each Owner entitled to vote thereat, addressed to the Owner's address last appearing on the books of the Association, or supplied by such Owner to the Association for the purpose of notice. Such notice shall specify the purpose, place, date and hour of the meeting, and a description of any matters referred to in Section 7-05(c)(2) of the Act. Only those matters that are within the purpose or purposes described in a notice of special meeting may be acted upon at such meeting. In addition, the only matters that may be voted on at a semiannual meeting are those matters that are described in the meeting notice, except that if one-third or more of the votes entitled to be cast for the election of directors are represented in person or by proxy at such meeting, then matters that were not described in the meeting notice may be acted upon (other than any matters referred to in Section 7-05(c)(2) of the Act).

Section 4. Quorum. The presence at the meeting, in person or by proxy, of Owners entitled to cast at least twenty percent (20%) of the total votes of all Owners in good standing shall constitute a quorum for any action, except as otherwise provided in the Act, the Articles of Incorporation, the Declaration or these Bylaws. If, however, such quorum shall not be present at any meeting, the Owners entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of the Owners, each Owner in good standing may vote in person or by proxy or (to the extent provided in the notice of meeting) by absentee ballot. All proxies shall be in writing, signed by an Owner or his attorney-in-fact, and filed with the Secretary, but may be in fax or e-mail form. Every proxy shall be revocable and shall automatically expire upon conveyance by the Owner of his Lot. A proxy is valid only for the specific meeting and any adjournment thereof, unless a different period is expressly provided in a proxy that is in a form approved by an Association officer. No proxy appointment will be valid for more than 11 months from its date, unless a different period is expressly provided in the proxy form.

Section 6. Voting. The vote of a majority of the Owners present in person or by proxy or absentee ballot at a meeting at which a quorum is present shall be binding upon all Owners for all purposes, except (a) where a higher percentage vote is required by law, by the Declaration, by these Bylaws or by any Special Assessment Proposal that is duly adopted by the Owners and that calls for such a vote, and (b) directors shall be elected by a plurality of the votes cast by the Owners entitled to vote in the election at a meeting at which a quorum is present. Cumulative voting will not be permitted. In the case of an Owner that is a legal entity, the Association shall be entitled to rely on the signature of any individual purporting to be authorized to give a proxy or cast a vote on behalf of such entity. The Association shall be entitled to reject a proxy or vote if an officer or agent authorized to tabulate votes, acting in good faith, has a reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the Owner.

Section 7. Absentee Ballots. At any Owners' meeting, the Board in its discretion may provide for Owners to vote by absentee ballot. If the Board provides for such a vote at any meeting, the notice of such meeting shall contain a brief statement of the issues proposed for consideration at the meeting and a statement indicating what a "For" or "Against" vote means with respect to those issues. If the meeting calls for the election of directors, the notice shall also provide (a) a space for the Owner to indicate his vote for any of the nominees named in the notice and (b) a space that allows the Owner to name any other

eligible person or persons for whom the Owner desires to vote for director. Owners that have submitted their absentee ballot indicating their vote on a matter that is voted upon at an Owners' meeting shall be deemed to have been "present" at such meeting for purposes of determining both the presence of a quorum on the particular matter and the calculation of the votes cast on that matter.

Section 8. Owner Action by Written Ballot. (a) Any action that may be taken at any regular or special meeting of the Owners may be taken without a meeting if the Association sends a written ballot to every Owner entitled to vote on the matter.

(b) A written ballot shall (1) set forth each proposed action; and (2) provide an opportunity to vote for or against each proposed action.

(c) Approval by written ballot pursuant to this Section shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the same total number of votes were cast.

(d) All solicitations for votes by written ballot shall indicate the time by which a ballot shall be received by the Association in order to be counted. The solicitation shall be sent at least thirty (30) days prior to the deadline specified for receipt of ballots. If the Association has, at any time prior to the specified deadline, received written ballots voting in favor of a proposed action by a majority of all the Owners in good standing, then such action shall be deemed to have been approved at that time. If such majority approval has not been received by the deadline with respect to a proposed action, then such action shall be deemed approved if the Association has received by that date written ballots in favor of the action by the percentage of favorable votes required by paragraph (c) above, as calculated at the time of such deadline.

(e) A written ballot shall not be revoked.

Section 9. Parliamentary Authority. Except as otherwise provided in these Bylaws, meetings of the Association and the Board of Directors shall be conducted in accordance with the most recent edition of Robert's Rules of Order Newly Revised

Article IV Board of Directors: Selection and Term of Office

Section 1. Number. The affairs of this Association shall be managed by a Board of seven (7) directors. As provided in the Articles of Incorporation, said number may be changed to not less than five (5) nor more than nine (9) members, by an amendment of these Bylaws.

Section 2. Qualifications. Each director shall be (a) an Owner in good standing (or his or her spouse) or (b) an officer, director, trustee or other official of a corporation, partnership, trust or other legal entity that is an owner or co-owner of fee simple title to a Lot whose Owner is in good standing. Neither co-titleholders of the same Lot nor their spouses may serve on the Board at the same time.

Section 3. Term of Office. (a) The term of each director elected at the October 2013 Owners' meeting shall be for one year. Commencing with the election of directors at the October 2014 Owners'

meeting, two directors shall be elected for a one-year term, two directors for a two-year term, and three directors for a three-year term. At each subsequent October Owners' meeting, the Owners shall elect directors to fill vacancies created by the normal expiration of directors' terms, in each case for a three-year term, provided that (i) if the Board has filled a Board vacancy in accordance with Section 4(b) below, the new director's term shall extend only to the next Owners' meeting, and the director elected at that Owners' meeting to fill that position shall serve for the remaining term of the director whose vacancy was filled by the Board and (ii) if the Owners vote to fill a vacancy, the new director's term shall extend for the remaining portion of the term of the original director who is being replaced. A director's term shall commence upon election and shall continue for the term for which he was elected, or until his earlier death, resignation, removal or disqualification to serve as a director pursuant to Article IV, Section 2 hereof, except that when a director's term ends (so long as he continues to be qualified to serve as a director), he shall remain in office until his successor is elected and qualified or until the size of the Board is decreased pursuant to Article IV, Section 1 hereof. Nothing contained in these Bylaws shall be construed to prevent the election of a director to succeed himself.

Section 4. Vacancies. A vacancy occurring in the Board may be filled:

- (a) By the Owners by either (i) the vote of a majority of the Owners present in person or by proxy at a meeting at which a quorum is present or (ii) a majority of the Owners submitting a written ballot (solicited in accordance with Article III, Section 8), if the total number of ballots submitted in favor of the election of a person to fill such vacancy is at least equal to the percentage of Owners required to constitute a quorum;
- (b) By a majority of the remaining directors; or
- (c) If the directors then remaining in office constitute fewer than a quorum of the Board, by the affirmative vote of a majority of the directors, or by the sole director, then remaining in office.

Section 5. Removal. Any director may be removed from the Board, with or without cause, by the vote of a majority of the Owners present in person or by proxy at a meeting at which a quorum is present and that was called for the express purpose of removing the director. A director shall be removed (a) automatically, if such director is no longer included in the definition of the term "Owner" in Article II, Section 10, or is no longer the spouse of an Owner, or (b) by the vote of a majority of the directors then in office, if (i) such director shall have been absent from three (3) consecutive duly called meetings of the Board or (ii) such director (or the Owner with which such director is associated, either as a spouse, or co-titleholder, or a representative of an entity that is an Owner or co-titleholder) shall then be delinquent in the payment of any assessments for at least sixty (60) days.

Section 6. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties, subject to prior approval by the Board.

Article V Nomination and Election of Directors

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. The Nominating Committee shall be appointed by the Board of Directors from among persons qualified to serve as directors under Article IV, Section 2. The Nominating Committee shall consist of a Chairman, who shall not be a continuing member of the Board of Directors, and two or more Owners of the Association who would be so qualified to serve as a director.

The Nominating Committee should make reasonable efforts to contact, by letter, phone or e-mail, all Owners of the Association to solicit inputs on candidates, performance of the current Board and issues of importance to the community. A summary of their findings should be presented as part of its report to the Owners.

The Nominating Committee shall make as many nominations for election to the Board of Directors for each vacant Director position as it shall in its discretion determine, but not less than one for each vacancy to be filled. Nominations shall be made from persons qualified to be a director under Article IV, Section 2, and should, to the extent practicable, be broadly representative of the interests in the community. Nominations for a specific vacant position may also be made from the floor at any duly held meeting at which Board members are to be elected. Written or verbal acceptance of nomination to a directorship is required before a candidate's name is placed in formal nomination.

Section 2. Election.

(a) Election to the Board of Directors at an Owners' meeting shall be by oral or written ballot. At such election, each Owner or his proxy may cast one vote in respect to each vacancy. Cumulative voting is not permitted.

(b) If there are multiple candidates for a director position, the candidate receiving a plurality of the votes cast is elected. If the top two candidates receive the same number of votes, then a second round of voting shall occur. If vote remains tied, then the position shall remain vacant and may be filled by a vote of a majority of the remaining Board members at a future Board meeting.

(d) If there is a single candidate nominated for a director position, the candidate must receive a majority of votes cast by Owners present in person or by proxy. If a single candidate fails to receive this majority, then the position shall remain vacant and may be filled by a vote of a majority of the remaining Board members at a future Board meeting.

Article VI Meetings of Directors

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at least quarterly, at such place, date and time as may be fixed from time to time by the Board. Attendance may be in person or by teleconference.

Section 2. Special Meetings. Special meetings of the Board shall be held when called by the President, or by any two directors, after not less than three (3) days' written notice to each director. Attendance may be in person or by teleconference.

Section 3. Quorum. A majority of the total number of directors then fixed by these Bylaws, present in person or by teleconference, shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board, unless a greater number is specifically required herein; provided, however, that in the case of a vacancy on the Board, if the directors then remaining in office constitute fewer than a quorum of the Board, such vacancy may be filled by the affirmative vote of a majority of the directors, or by the sole director, remaining in office.

Section 4. Action Taken Without Directors' Meeting. The directors shall have the right to take any action in the absence of a formal directors' meeting that they could take at a meeting, by obtaining the written approval of all the directors, which may be in letter, fax or e-mail form. Any action so approved shall have the same effect as though taken at a meeting of the directors. Such written approvals shall be inserted into the minute book.

Section 5. Waiver of Notice. Any member of the Board may at any time waive notice of any meeting of the Board in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall constitute a waiver of notice of such meeting, except where a member attends the meeting and states prior to or at the commencement of the meeting that his attendance is solely for the express purpose of objecting to the transaction of business because the meeting was not lawfully called.

Article VII Powers and Duties of the Board of Directors

Section 1. Powers. The Board of Directors shall have the powers specified under the Act, including but not limited to the power to:

- a. adopt and publish rules and regulations governing the use and maintenance of the Community Use Areas, and to establish penalties for the infraction thereof;
- b. exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the Owners by other provisions of the Act, the Articles of Incorporation, the Declaration or these Bylaws;
- c. incur financial obligations or borrow money on behalf of the Association, provided, however, that any loan or promissory note incurred on behalf of the Association must have prior Owner approval at a regular or special meeting of the Owners, and any related series of loans or promissory notes aggregating in excess of \$20,000 shall require approval of the majority of all Owners in good standing;
- d. exceed the annual approved budget by Five Thousand Dollars (\$5,000.00), subject to approval by at least a two-thirds (2/3) vote of the total number of directors then in office and without approval of the Owners, in order to address unforeseen expenses and obligations in a timely manner;

e. negotiate a deferred payment schedule for delinquent assessment payments to delay a lien filing, provided that the terms and conditions of the payment schedule are approved by at least a two-thirds (2/3) vote of the total number of directors then in office;

f. resolve potential ambiguities in these Bylaws; the interpretation of the Bylaws by the Board shall be final and binding upon the Association and all Owners so long as it is reasonable and made in good faith to resolve an ambiguity in the Bylaws, and is recorded in the minutes of a duly held Board meeting. In no event shall such an interpretation conflict with the Act, the Declaration, the Articles of Incorporation or other applicable law;

g. hire and manage outside parties, within the restraints of the approved budget, as deemed necessary or desirable to carry out specified administrative functions or to provide services in connection with the Community Use Areas;

h. establish and manage financial accounts to support the normal operations of the Association;

i. establish and manage a separate Road Repair Reserve Fund in accordance with the Special Assessment approved October 9, 2011;

j. enforce the Declaration of Restrictive Covenants of Ocean Hill Section 1; and

k. propose amendments to the Declaration of Restrictive Covenants as from time to time may be in the best interests of the Owners.

Section 2. Duties. It shall be the duty of the Board of Directors to:

a. Cause to be kept and publicized to the Owners via a website a complete record of all its meetings, acts and corporate affairs;

b. Supervise all officers, contractors and agents of the Association, and see that their duties are properly performed;

c. With regard to management of the Operating Accounts:

1. At the April and October Owners' meetings, present to the Owners a report of receipts and expenditures compared to the current approved Operating Budget and the current balance and outstanding obligations for the Operating Account,
2. At the October Owners' meeting present a proposal to the Owners for the annual dues assessment for the coming year to be approved by a majority of the Owners present in person or by proxy at a meeting at which a quorum is present,
3. At the October meeting present to the Owners a proposed plan and Operating Budget for the next year to be approved by a majority of the Owners present in person or by proxy at a meeting at which a quorum is present, and
4. Present to the Owners at any duly called meeting of the Association proposed revisions to the Operating Budget, above the \$5,000 limit noted above, to be

approved by a majority of Owners present in person or by proxy at a meeting at which a quorum is present;

d. With regard to management of the Road Repair Fund:

1. At the April and October Owners' meeting present to the Owners a report of receipts and expenditures compared to the current approved Road Repair Budget and the current balances and outstanding obligations for the Road Repair Account;
2. At the October Owners' meeting present to the Owners a proposed plan of expenses and Road Repair Budget for the next year for work within the limits defined by the October 9, 2011 Special Assessment, to be approved by a majority of Owners present in person or by proxy at a meeting at which a quorum, is present;
3. Present to Owners at any duly called Owners' meeting proposed revisions to the Road Repair Budget above the \$5,000 limit noted above, to be approved by a majority of Owners present in person or by proxy at a meeting at which a quorum, is present;

e. Send written notice of assessment payments required to every Owner subject thereto, at least thirty (30) days in advance of each annual assessment period;

f. Enforce the covenants and restrictions contained in the Declaration;

g. Enforce collection arrangements of assessments in accordance with the Declaration and these Bylaws;

h. Issue, or to cause an appropriate officer to issue, upon demand by any Owner, a certificate setting forth whether or not any assessment has been paid by such Owner; if a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment;

i. Procure and maintain adequate liability and hazard insurance on property owned by the Association;

j. Cause all officers, directors and employees having fiduciary responsibilities to be provided appropriate insurance coverage, at the expense of the Association, for their good faith actions, errors or omissions while acting in their capacity as an officer, director or employee;

k. Within the approved budget, cause to be maintained the Community Use Areas and improvements thereof for which the Association is responsible;

l. Supervise the process of determining, developing and obtaining the Owners' approval for special assessment proposals as required to meet special community needs, in accordance with the Declaration; and

m. Prepare and maintain written description(s) of the processes the Board follows in connection with the maintenance of the Association's records, the conducting of financial transactions and the conduct of its business.

Article VIII Officers

Section 1. Positions and Responsibilities. The officers of the Association and their responsibilities shall be as follows:

a. President. The President shall preside at all meetings of the Board and see that all orders and resolutions of the Board are carried out, and shall have the power to sign all leases, mortgages, deeds, checks, promissory notes and other written instruments on behalf of the Association.

b. First Vice President. The First Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board or the President.

c. Second Vice-President. The Second Vice president will act in the absence of the President and the First Vice President, and shall assume other duties assigned by the President or the Board.

d. Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Owners; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Owners; keep appropriate current records showing the Owners of the Association, together with their mailing and e-mail addresses; serve as parliamentarian of meetings; and perform such other duties as are required by the Board.

e. Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by the Board of Directors; keep proper books of account; file all requisite Federal, State and local tax forms as required in a timely manner; upon request of the Board, cause an audit of the Association books to be made by a certified public accountant; and, in conjunction with the Board, shall prepare an annual Operating Budget, and Road Repair Fund Budget and a statement of income and expenditure to be presented to the Owners at its semi-annual meetings, and deliver a copy of each to the Owners through posting of the meeting minutes on the Association's website. Said statement of income and expenditure must be accompanied by the statement of the Treasurer (i) stating the Treasurer's reasonable belief as to whether the statement was prepared on the basis of generally accepted accounting principles and, if not, describing the basis of preparation; and (ii) describing any respects in which the statements were not prepared on a basis of accounting consistent with the statements prepared for the preceding year. The Treasurer shall have the power to sign all checks and promissory notes of the Association.

The Treasurer shall establish and manage a Road Repair Fund in accordance with the requirements of the Special Assessment approved October 9, 2011. Road Repair Fund contributions from the annual dues assessments may be included as part of the annual budgets.

The Treasurer shall be responsible for acquiring and maintaining insurance coverage for the Association and the directors and officers, consistently with the requirements of these Bylaws.

f. Assistant Secretary and Assistant Treasurer. The Board shall also have the authority to appoint an Assistant Secretary and an Assistant Treasurer, who shall, in the absence or disability of the Secretary or Treasurer, respectively, have the duties and powers of those offices. They may perform any other duties assigned to them by the Board.

Section 2. Qualifications; Term. The officers of the Association shall be elected from the Directors. The officers shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 3. Vacancies. A vacancy in any office may be filled by majority vote of the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 4. Removal. Any officer may be removed by a majority vote of the Board whenever in the Board's judgment the best interests of the Association will be served thereby. Any officer so removed shall remain on the Board as a director.

Section 5. Compensation. No officer shall receive compensation for any service he may render to the Association. However, any officer may be reimbursed for his actual expenses incurred in the performance of his duties, subject to prior approval by the Board.

Article IX Committees

Section 1. Committees. The President, with the approval of the Board, shall appoint a Nominating Committee and a Covenant Compliance Committee. In addition, the Board may appoint other committees as deemed appropriate to carry out its purposes.

Section 2. Covenant Compliance Committee. The Covenant Compliance Committee charter is to review all requests by Owners for approval of any permitted construction or modification to their Lot as required by the Declaration and make recommendations to the Board for their consideration in approval or denial of the proposed changes.

Section 3. Other Committees. The Board shall develop and approve for each committee a charter stating the committee's objectives for the year, including plans and budget inputs for the coming year. These charters are to be included as appendices to the Board meeting at which they were approved, or when amended. The Board shall appoint members of each committee to include at least one current Board member. Committees may elect one appointed member as chair with consent of the Board. The Committee chairperson shall report in writing to the Board, at least quarterly, progress toward their objectives, spending against budget and future plans. These reports are to be appended to the Board meeting minutes at which they were reviewed.

Article X Liability and Indemnification of Directors and Officers

Section 1. Liability. The directors and the officers shall not be liable to the Owners for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith.

Section 2. Indemnification. Each director and officer shall be indemnified by the Association against those liabilities and reasonable expenses (including advancement of such expenses) to the maximum extent allowed by the laws of North Carolina (including Article 8 of the Act), in connection with any action, suit or proceeding (whether threatened, pending or completed) in which such person may be involved by reason of his being or having been a director or officer of the Association, provided that such indemnification shall be authorized only if the Association has determined that the director or officer (i) conducted himself in good faith, (2) reasonably believed that his conduct was in the best interests of the Association and (3) in the case of any criminal proceeding, had no reasonable cause to believe his conduct was unlawful. Such determination shall be made in accordance with Section 8-55 of the Act.

Section 3. Expense Indemnification When Defense Successful. The Association shall indemnify a director or officer who was wholly successful, on the merits or otherwise, in the defense of any action, suit or proceeding to which the director or officer was a party because he is or was a director or officer of the Association against reasonable expenses actually incurred by the director in connection with the action, suit or proceeding (net of any insurance recoveries or other reimbursements received by such director or officer).

Article XI Books and Records

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Owner. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Owner on the Association's website, or at the principal office of the Association, where copies may be purchased at a reasonable cost.

Article XII Assessments

Section 1. Process. As provided in the Declaration, each Owner is obligated to pay to the Association annual and special assessments which are secured by a lien upon the Lot against which the assessment is made.

- a. Annual Dues: The amount of annual dues for the coming calendar year is determined by a vote of the Owners at the October meeting within the limits set by the Declaration. The annual assessment amount is due on January 1.
- b. Special Assessments: Special Assessments of the Owners may be made to carry out any of the lawful purposes of the Association that could not otherwise be met from the annual assessment or capital reserve fund. When a special need is identified by the Board, a draft proposal for the assessment shall be circulated to the Owners for comment. A Special Assessment proposal will include purpose, total amount, allocation by Lot, payment terms and collection recourse within the limitations imposed by the Declaration. After receiving comments from the Owners the Board may revise the proposal. The Board must approve a final proposal for a special assessment by two-thirds of the total number of directors then in office. The final proposal is then sent to Owners for their approval in accordance with the Declaration. The Owners are notified by mail and e-mail upon approval. The due date of the first

payment for any approved Special Assessment may not be less than 60 days from the date of approval, or later if so specified in the assessment.

Section 2: Any assessment payment that is not paid when due shall be delinquent. Owners with delinquent assessment payments are ineligible to vote in Association matters.

- a. Annual Dues: Annual dues assessments are due on January 1 and cover Association services provided during that year. If an annual dues assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum. If the obligation remains unpaid on April 1 of that year, the Association shall file a claim of lien with the office of the clerk of superior court of Currituck County and may bring an action at law against the owner personally obligated to pay same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Community Use Areas or abandonment of his Lot.
- b. Special Assessments: If a special assessment payment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum, unless otherwise directed for that assessment. If the obligation remains unpaid after ninety (90) days, the Association shall file a claim of lien with the office of the clerk of superior court of Currituck County and may bring an action at law against the owner personally obligated to pay same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Community Use Areas or abandonment of his Lot.

Article XIII Corporate Seal

The Association shall have a seal in circular form having within its circumference the words Ocean Hill I Property Owners Association, Inc.

Article XIV Amendments of the Bylaws

Section 1. Adoption. A resolution for the adoption of a proposed amendment to these Bylaws may be proposed either by a majority of the Board or by at least ten percent (10%) of all of the Owners who are then entitled to vote. Such resolution shall be considered at an Owners' meeting, and must be approved by at least the lesser of (a) a majority of all of the Owners then entitled to vote on the matter or (b) two-thirds (2/3) of the Owners' votes cast at a meeting at which a quorum is present.

Section 2. Notice. Notice of the subject matter of a proposed amendment of the Bylaws shall be included in the notice of a meeting at which a proposed amendment is to be considered, together with a copy or a summary of the proposed amendment.

Section 3. Conflicts of Governing Documents. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

**Article XV
Amendments of the Articles of Incorporation**

Section 1. Adoption. A resolution for the adoption of a proposed amendment to the Articles of Incorporation may be proposed either by a majority of the Board or by at least ten percent (10%) of all of the Owners who are then entitled to vote. Such resolution shall be considered at an Owners' meeting, and must be approved by at least the lesser of (a) a majority of all of the Owners then entitled to vote on the matter or (b) two-thirds (2/3) of the Owners' votes cast at a meeting at which a quorum is present.

Section 2. Notice. Notice of the subject matter of a proposed amendment of the Articles of Incorporation shall be included in the notice of a meeting at which a proposed amendment is to be considered, together with a copy or a summary of the proposed amendment.

**Article XVI
Miscellaneous**

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year except that the first fiscal year shall begin on the date of incorporation.

**Article XVII
Dissolution**

Dissolution of the Association shall be governed by Article 14 of the Act.

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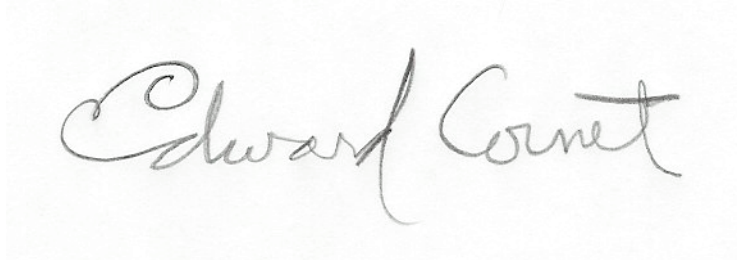
Certification

I, the undersigned, do hereby certify:

That I am the duly elected and acting President of Ocean Hill I Property Owners Association, Inc., a North Carolina nonprofit corporation; and

That the foregoing Amended Bylaws constitute the Amended and Restated Bylaws of said Association, as duly adopted at a meeting of the Owners, held on 1st day of November, 2013.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this __1st__ day of __November__, 2013.

A handwritten signature in cursive script that reads "Edward Cornet". The signature is written in dark ink on a light-colored background.

Edward Cornet, President