

**NOTICE OF MEETING
TO AMEND THE BYLAWS
OF
BOLIN FOREST II HOMEOWNER'S ASSOCIATION**

NOTICE: On the 10th day of May, 2004, at 7:30 p.m. the regular monthly meeting of the Board of Directors of BOLIN FOREST II HOMEOWNER'S ASSOCIATION will be held at 608 Bolin Creek Drive. One of the purposes of the meeting will be to consider and adopt an amendment to the Bylaws of the Association. This Notice provides the information regarding the background of the proposed amendment. A copy of the proposed amendment is attached, although the text of the amendment as finally approved and adopted may vary from the language presented below.

Your attendance at the Board meeting is not required, but if you want to be heard on the substance of this amendment, please attend the meeting.

Background. It recently came to the attention of the Board that the Bylaws of the Association require that an annual audit of the Association's books be made by a public accountant at the completion of each fiscal year. Quotes were sought from 5 accounting firms in Chapel Hill, Carrboro and Hillsborough. The quotes ranged from \$280 to \$600 for an annual audit.

It is the feeling of the Board that this expense on an annual basis is unwarranted given the limited resources of the Association and the relative simplicity of reconciling the books of the Association.

Primary Amendment. As an alternative, the Board would like to have the option to utilize the services of a committee of homeowners. The committee would have 2 members – one representative from the Board and one representative from the non-board membership. The Treasurer would not be eligible as a member of this finance committee.

The Board would retain the option of hiring an accounting firm in the event it cannot find enough members who are willing to participate as members of the finance committee.

Housekeeping Amendments. As housekeeping matters, the amendment also 1) defines "Written Notice" to include e-mail communication; 2) authorizes the Association to hold its annual member meeting at the same time as the annual fall homeowners get together; and, 3) divides the duties of the secretary and treasurer of the Association to reflect the operational responsibilities of each officer

Notice mailed this ____ day of April, 2004.

Cameron Binnie, Secretary

RESOLUTION

ADOPTING AMENDMENTS TO THE BYLAWS OF THE ASSOCIATION

WHEREAS, Article VII of the Bylaws of Bolin Forest II Homeowner's Association, Inc. invests the Board of Directors with the authority to "exercise for the Association all powers, duties, and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;"

WHEREAS, it is the finding and conclusion of the Board that neither the Bylaws, the Articles of Incorporation, nor the Declaration expressly or implicitly reserve the power or authority to amend the Bylaws to the membership;

WHEREAS, five (5) days advance written notice has been provided to the members advising that the Board of Directors proposes to amend the Bylaws of the Association pursuant to N.C. General Statutes 55A-10-20;

NOW THEREFORE IT IS RESOLVED, that the Board of Directors hereby amends the Bylaws of the Association, as follows:

ARTICLE II: DEFINITIONS is amended to add the following:

Section 9: "Written Notice," as that term is used in the Bylaws of the Association, expressly includes notice given using electronic mail (e-mail) provided that the member has provided his/her e-mail address to the Association for the purpose of receiving such notice and has agreed to the receipt of electronic communication from the Association.

ARTICLE III, Section 1 of the Bylaws is deleted in its entirety and is replaced as follows:

Annual Meetings: The first meeting of the members will be held within one year from the date of incorporation of the Association, and each subsequent regular meeting of the members will be held to coincide with the annual fall homeowners' social gathering. In the event no social gathering is scheduled in a given year, the regular meeting of the members will be held on the second Monday of November at seven o'clock p.m.

ARTICLE VIII, Section 8(c) of the Bylaws is deleted in its entirety and is replaced with revised Sections 8(c) and (d) as follows:

(c) **SECRETARY**: The secretary will record the votes and keep the minutes of all meetings and proceedings of the Board and of the members, keep the corporate seal of the Association and affix it on all papers requiring the seal; serve notice of meetings of the Board and its members; keep appropriate records showing the members of the Association together with their addresses; and, will perform such other duties as required by the Board.

(d) **TREASURER**: The treasurer will receive and deposit in appropriate bank accounts all monies of the Association and will disburse such funds as directed by resolution of the Board of directors; sign all checks and promissory notes of the Association; keep proper books of account; and, prepare an annual budget and statement of income and expenditures a copy of which will be provided to each member at the regular annual meeting of the membership.

ARTICLE IX: COMMITTEES, is amended to add the following:

Finance Committee and Annual Reconciliation of Accounts: On an annual basis, the Board will appoint a committee consisting of two (2) committee members, including one Board member and one non-Board member drawn from the entire membership of the Association. The Treasurer of the Association is not eligible to serve on the Finance Committee. The Finance Committee will review and reconcile the receipts and expenditures of the Association for the prior calendar year and submit a summary of its findings to the Board. The activities of the Finance Committee will commence as soon as practicable following the 1st day of January and their findings will be provided to the Board no later than the last day of February each year. The Board, in its sole discretion, may contract with a public accountant or bookkeeping firm for the annual reconciliation of the books of the Association. In that event, no Finance Committee will be appointed for that calendar year.

Upon proof of adequate Notice being given to the members of the Association and upon the affirmative vote of the majority of the members of the Board of Directors, the foregoing resolution is hereby **ADOPTED AND APPROVED** by the Board of Directors on this ____ day of _____, 2004.