

## BYLAW AMENDMENT

The Board of Directors of the Indian Beach Property Owners Association hereby adopts the following amendments of the By-Laws of the Association, which amendments supersede and control any contrary provisions in the existing By-Laws.

1. Beginning with the 2010 election and continuing thereafter, the Board of Directors shall consist of six directors, consisting of three property owners from the bay-side of the development and three property owners from the beach-side of the development. Directors who are serving as such as of the 2010 election shall continue to serve for the unexpired portion of the term for which they were elected. All directors elected at the 2010 election or thereafter shall serve for a term of three years from the date of election. There are no limits on the number of terms for which directors may be elected. All Members, whether bay-side or beach-side property owners may vote for all directors, whether bay-side or beach-side property owners.
2. A proposal to remove an officer or a director for cause shall be effective only if a court of competent jurisdiction shall have first decided, in a final non-appealable judgment, that cause exists. The term "cause" means commission of a crime or similar serious misconduct but does not include mere unpopularity.
3. Not less than ten (10) nor more than thirty (30) days prior to the date of each regular annual meeting, the Board of Directors shall send out to each Member a proxy. In order to eliminate questions about the validity of proxies, Members who wish to designate another Member as his or her proxy agent must use only the form proxy sent out by the Board of Directors for that respective annual meeting. The Board of Directors may propose the name of a proxy agent; however, each Member may elect to name the person recommended by the Board or any other Member, qualified as herein described, as his or her proxy agent. In addition, the Board may make recommendations as to the person or persons to be elected as incoming Directors by making such recommendation on the proxy; however, any Member may vote his or her proxy for the person or persons recommended by the Board or any other person qualified to serve as a Director. In order to qualify as a proxy agent, a person so designated must be a property owner (either beach side or bay side) and must be present at the applicable meeting and must be in good standing. In order to qualify as a Member of the Board of Directors, the candidate must be a beach-side property owner if to serve as a beach-side Director and must be a bay-side property owner if to serve as a bay-side director; in addition, such candidate must be present at the annual meeting, must agree to serve as a director and must be in good standing.

Effective and approved by the Board of Directors on July 14, 2010  
Susan Gonzales  
Recording Secretary