

**AMENDED BYLAWS OF THE BALD HEAD ASSOCIATION
AS OF JANUARY 2018**

**ARTICLE I
NAME AND LOCATION**

The name of the corporation is **BALD HEAD ASSOCIATION**, hereinafter referred to as the Association. The principal office of the corporation shall be located on Bald Head Island, North Carolina, but meetings of members and directors may be held at such places within the State of North Carolina as may be designated by the Board of Directors.

**ARTICLE II
DEFINITIONS**

Section 1. “Amenities” means the facilities constructed, erected, or installed on the Common Area for the use, benefit and enjoyment of Members.

Section 2. “Articles” means the Articles of Incorporation of Bald Head Association.

Section 3. “Assessable Property” shall mean and refer to any lot, parcel, multi-family unit or site or non-residential property which is subject by covenants of record to assessment by the Association and includes all the property herein other than the Common Area.

Section 4. “Association” means Bald Head Association, its successors and assigns.

Section 5. “Board of Directors” or “Board” means those persons elected or appointed and acting collectively as the Directors of the Association.

Section 6. “Bylaws” means the Bylaws of the Association.

Section 7. “Common Area” means all real property and facilities owned by the Association for the common use and enjoyment of all Members of the Association, including greenways, recreational areas, dunes, beaches and roadways. It is intended that the Common Area will include all of the Subject Property except platted lots, Multi-Family Sites, and other Non-Residential Areas, the golf course, clubhouse sites and sites established for utility purposes.

Section 8. “Common Expense” means and includes actual and estimated expenses of acquiring, maintaining and operating the Common Areas and property owned or leased by the Association; of providing services provided for the Association or its Members; and of operating the Association and its committees for general purposes. This will include any reasonable reserves, as may be found necessary and appropriate by the Board of Directors pursuant to BHA’s Declaration, these Bylaws and the Articles of Incorporation, and will, in addition, include the following:

(a) expenses of administration, maintenance, repair or replacement of the Common Area and Limited Common Area;

(b) expenses declared to be Common Expenses by the provisions of BHA’s Declaration, these Bylaws, or agreed to be Common Expenses by the Members present and

voting in Person or voting by proxy at a meeting of the Members;

(c) hazard, liability, or such other insurance premiums as BHA's Declaration or these Bylaws may require the Association to purchase;

(d) any ad valorem taxes and public assessments levied against the Common Area;
and

(e) expenses for the provision of services benefiting all Members, including, without limitation, transportation services.

Section 9. "Declaration": means the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Bald Head Association.

Section 10. "General Assessments" means assessments to fund Common Expenses for the general benefit of all Units within the Properties.

Section 11. "Limited Common Area" means those portions of the Common Area that serve only a limited number of Units and which may include, but specifically is not limited to, walkways, parking buildings or areas serving only specified lots, and such other similar areas as may be designated by the Association. The Limited Common Area will be managed and maintained by the Association at the expense of only Owners of Units served thereby.

Section 11. "Manager" shall mean and refer to the person employed by the Board of Directors as a professional manager, pursuant to the provisions of the Bylaws, to manage the affairs of the Association.

Section 12. "Member" means and refers to every Owner.

Section 13. "Owner" means and refers to the record Owner, whether one or more persons or entities, of a fee simple title to any Unit which is part of the Properties, including contract sellers, but excluding those having such interest merely as a security for the performance of an obligation and any association responsible for maintaining Common Area in any Multi-Family Site.

Section 14. "Person" means and refers to any individual, corporation, partnership, association, trustee or other legal entity.

Section 15. "Properties" or "Subject Property" means and refers to that certain real property described in Exhibits A and B of the Declaration.

Section 16. "Special Assessments" means and refers to an assessment levied and collected by the Board for the purposes set forth in Section 5.5(a) and (b) of the Declaration.

Section 17. "Unit" means a portion of the Properties, whether improved or unimproved, which may be independently owned and conveyed and which is intended for development, use and occupancy. A Lot is a Unit as that term is used in the Declaration. The term will refer to the land, if any, which is part of the Unit as well as any improvements thereon, including the Living Unit. The term will not include any time share interests, only the Unit subject to the time share interests. Non-residential areas may have more than one Unit assigned to it by the Board as provided in Section 2.3 of the Declaration.

Section 18. “User” means members of an Owner’s family, occupants of an Owner’s Unit, and the guests, invitees, licensees, agents, employees, representatives, tenants, lessees and contract purchasers of any Owner.

ARTICLE III MEETING OF MEMBERS

Section 1. Annual Meetings. The regular annual meeting of the members shall occur on the last Saturday of January of each year on a date and at a time to be established by the Board of Directors.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of the members who are entitled to vote 150 of all of the votes of the membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, or otherwise circulated to the membership at least thirty (30) days before such meeting to each member entitled to vote thereat, addressed to the member’s address last appearing on the books of the Association, or supplied by such members to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. At the annual meetings and all special meetings, the presence, in person or by proxy, of one hundred-fifty(150)entitled to be cast, or of proxies entitled to cast votes, shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members 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 members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot. The Entire Board of Directors shall vote undesignated proxies.

ARTICLE IV BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of Directors consisting of six Directors, who need not be members of the Association There shall be a minimum of three (3) who are “living unit” owners (home, villa, condo, etc.).

Section 2. Term of Office. The Directors shall serve for a term of three (3) years or until a successor is duly elected or appointed. The Directors shall be divided into classes, composed of as nearly equal numbers of directors as is practicable. Each Director shall hold office until his/her term expires, death, resignation, removal, disqualification or his/her successor has been elected or appointed. No Director, whether elected or appointed, may serve more than six consecutive years.

After a one-year hiatus, a previous Director may serve again.

Section 3. Removal. Any Director may be removed from the Board, with or without cause, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

Section 4. Vacancies. A vacancy on the Board may be filled by appointment by the Board. The Director appointed to such vacancy shall serve for the remainder of the term of the Director he/she replaces. If elected to a partial term, a Director's service during that partial term shall not count as part of the six consecutive years sequence.

Section 5. 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.

Section 6. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting, by obtaining the written approval of all of the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors, and will be recorded with the minutes of the next meeting of the Directors.

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 make as many nominations for elections to the Board of Directors as it shall in its discretion determine, but not less than one (1) nominee for each vacancy to be filled. The Nominating Committee shall submit its nominees at the regular September meeting of the Board of Directors. A petition signed by a minimum of fifteen (15) individual property owners, advocating a nominee for election to the Board of Directors, may be submitted to the Association office no later than sixty (60) days prior to the annual meeting and this candidate or candidates shall be added to the final ballot which will be mailed to the membership no less than thirty (30) days in advance of the annual meeting. The names of all nominees shall be included with the notice of the annual meeting, or otherwise circulated to the membership no less than thirty (30) days in advance of the annual meeting. No nominations shall be made from the floor at member meetings.

Section 2. Election. Election to the Board of Directors shall take place at member meetings and shall be by secret ballot. At such election the members and or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is permitted.

ARTICLE VI MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at

least nine (9) times per year, or as determined by the Board without notice, at such place and hour as may be fixed from time to time by resolution of the Board provided that all members of the Board of Directors shall receive three (3) days' notice, which may be waived.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association or by any two (2) Directors, after not less than ten (10) days' notice to each Director.

Section 3. Quorum. A majority of the number of Directors 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.

ARTICLE VII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the power to: (a) adopt and publish Rules and Regulations governing the use of the Common Area and Amenities, and the personal conduct of the members and their guests thereon, and to establish fees for use as well as penalties for the infractions thereof; (b) suspend the voting rights and right to use of any recreational facilities or the Common Areas by a Member or any person to whom he has delegated his right or enjoyment during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed thirty (30) days for infraction of published rules and regulations; (c) 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; (d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; (e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties; (f) contract with any person to maintain the Common Area; and (g) procure adequate insurance including hazard insurance on the Common Areas and Amenities, Directors' liability insurance, and such other insurance as it shall deem necessary and appropriate; and include the cost of such insurance in the annual assessment of the members.

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

(a) cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by 100 of the members who are entitled to vote;

(b) supervise all officers, agents, and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

1. establish and levy General, Supplemental and Special

Assessments against each lot, Unit or area at least thirty (30) days in advance of each annual assessment period;

2. send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

3. enforce the lien against any property for which assessments are not paid within one hundred eighty (180) days after the due date or to bring an action at law against the owner personally obligated to pay the same.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned or managed by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Common Area, Limited Common Areas and Amenities to be maintained;

(h) designate depositories for Association funds;

(i) appoint such committees as are provided for in these Bylaws, and such other committees as shall be appropriate or necessary for the proper administration and performance of the Association; and

(j) exercise their powers in good faith and do and perform such other matters and things not expressly prohibited by law, the Declaration, or these Bylaws as are necessary and appropriate to the proper administration, operation and maintenance of the Association and the Properties.

(k) establish and publish Rules and Regulations as more fully referenced in the Declaration.

(l) enforce the Rules and Regulations

(m) enforce the Declaration, the Articles, Bylaws, Design Guidelines and Use Guidelines and Restrictions.

ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of the Association shall be President, Vice President, Secretary and Treasurer, who shall be members of the Board of Directors. The Board may appoint an Assistant Secretary and Assistant Treasurer who need not be members of the Board.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association 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 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office without cause by the Board. Any officer may resign at any time upon giving written notice to the Board, the President or Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

PRESIDENT

The President shall preside at all meetings of the Board of Directors; shall see that orders and regulations of the Board are carried out and perform such other duties as the Board shall determine.

VICE PRESIDENT

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

SECRETARY

The Secretary shall 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 said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

TREASURER

The Treasurer shall receive and deposit in appropriate bank accounts all monies of

the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all promissory notes of the Association, and shall keep proper books of accounts. The Treasurer shall cause an annual audit of the Association books to be made by a public accountant at the completion of each calendar year; shall prepare an annual budget and a statement of income and expenditures, any of these to be made available to any member upon request; and shall deliver a copy of the most recent audited yearly statement of assets and liabilities to all members at each annual meeting. Any officer of the Association may sign checks.

ARTICLE IX MEMBERSHIP

Every person or entity who is a record Owner of a fee or undivided fee interest in any lot, multi-family site, or nonresidential property (hereinafter "Assessable Property") which is subject by covenants of record to assessments by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Ownership of such Assessable Property shall be the sole qualification for membership and no owner shall have more than one membership, except as expressly provided hereinafter. Membership shall be appurtenant to and may not be separated from ownership of any Assessable Property which is subject to assessment by the Association. The Board of Directors may make reasonable rules relating to the proof of ownership of an Assessable Property.

ARTICLE X VOTING RIGHTS

Section 1. Classes. The Association shall have one class of voting membership. Members shall be entitled to one vote for each lot, Unit or other Assessable Property in which they hold the interest required for membership by Article IX. When more than one person holds an interest in any lot, Unit or other Assessable Property, all such persons shall be members. The vote for such lot, Unit or other Assessable Property shall be exercised as the owners thereof determine, but in no event shall more than one vote be cast with respect to any lot, Unit or other Assessable Property, and no fractional vote shall be cast with respect to any Assessable Property.

ARTICLE XI COMMITTEES

The following guidelines are approved for the selection and appointment of those committees deemed necessary to meet the goals of the Bald Head Association:

(a) Size – Except for the Architectural Review Committee, all other committees should consist of three (3) or six (6) members including the chairman, who shall be appointed each year during the annual meeting by the President of the Association; however, the Board shall have the authority to increase the size of any committee to a

maximum of nine (9) members including the chairman, if the Board determines that such is appropriate and necessary.

(b) Term – Committee members shall serve for a three (3) year term with 1/3 of the members rotating off each year, with the exception of the Nominating Committee, whose members shall serve for a one (1) year term as designated elsewhere in these Bylaws. The committee chairman shall be designated by the President and approved by the Board of Directors of the Bald Head Association annually. In the event of a vacancy, a replacement shall be appointed by the Board of Directors for the remainder of such member's term.

(c) Expiring Terms - After serving a term, the member whose term has expired is not eligible for reappointment to that committee until one (1) year has passed. The Board has the discretion to waive this requirement if it deems it necessary for the continued effective operation of that committee. The retired member is eligible to serve on a different committee. Committee chairpersons may serve in a non-voting, ex-officio capacity to the committee once their term expires, if requested to do so by the Board.

(d) Removal – The Board of Directors may, by a majority vote, choose to remove a committee member if so requested by the committee chair, or if the Board determines the member is not able to contribute effectively to the committee's work.

(e) Attendance - Committee members, in order to remain on a committee, must attend at least fifty percent (50%) of the meetings of said committee held during a given year, or demonstrate an equivalent participation level in the committee's activities. The committee chairperson will make this determination.

(f) Board of Directors - The President shall appoint a member of the Board to each committee as a non-voting, ex-officio member.

(g) Architectural Review Committee: shall be follows:

The Committee will consist of at least five (5) persons appointed by the Board beginning on January 1, 2000, and will have jurisdiction over all construction on any portion of the Properties. Thereafter, the Board may change the number of persons serving on the Committee to an odd number of at least five (5) and not more than eighteen (18) persons by a vote of not less than two-thirds (2/3) of the Board.

(h) The Board may create such other committees, as it sees fit, from time to time and, with the exception of the Architectural Review Committee, make changes to the responsibilities of the currently existing committees without the necessity of an amendment to these Bylaws. Effective January 2018, the committees and job descriptions are as follows:

Architectural Review Committee

- a. Review and approve architectural and site plans for Association members as authorized by applicable covenants and other legal instruments.
- b. Monitor and verify that new and renovated building plans maintain or improve the aesthetic and design quality of the Island.

- c. Review plans on basis of submission requirements, design integrity and appropriateness as spelled out in the design guidelines and addendum(s).
- d. Recommend needed revisions to the Design Guidelines for consideration by the Board of Directors.
- e. Oversee projects specific to this Committee as charged by the Board of Directors.
- f. Review and evaluate projects; provide updates on progress toward stated goals.
- g. Adhere to all procedures, policies and duties as fully referenced in the Declaration.

Socialization, Education and Recreation Committee

- a. To discuss, devise, recommend and/or implement recreation and education programs for property owners, renters, and visitors.
- b. Oversee projects specific to this Committee as charged by the Board of Directors.
- c. Review and evaluate projects; provide updates on progress toward stated goals.

Finance Committee

- a. Review and advise with regard to the budget of the Association. Submit all recommendations to the Bald Head Association.
- b. Review the annual audit.
- c. Develop fiscal plans to further the long range plan of the Association.
- d. Oversee projects specific to this Committee as charged by the Board of Directors.
- e. Review and evaluate projects; provide updates on progress toward stated goals.

Strategic Planning and Long Term Projects Committee

- a. Review and evaluate past Long Range Plans; summarize progress toward stated goals.
- b. Recommend actions that help fulfill Association purposes and responsibilities.
- c. Manage long-term projects as charged by the Board of Directors.

Resource Conservation and Beautification Committee

- a. Make recommendations for the maintenance and development of Common Areas.
- b. Use means to control and eliminate litter, i.e. Litter Sweeps.
- c. Oversee projects specific to this Committee as charged by the Board of Directors.
- d. Review and evaluate projects; provide updates on progress toward stated goals.

Nominating Committee

The Nominating Committee shall consist of a Chairperson, who shall be a member of the Board of Directors and four (4) members of the Association who are not currently members of the Board of Directors. The Nominating Committee shall be appointed by the Board of Directors.

ARTICLE XII 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 member. The Declaration, the Articles of Incorporation and these Bylaws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at a reasonable fee.

ARTICLE XIII CORPORATE SEAL

The Association shall have the seal in circular form having within its circumference the words: Bald Head Association.

ARTICLE XIV AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the members, by a vote of a majority of members present in person or by proxy, subject to the quorum requirement. Any proposed changes shall be mailed to the membership along with notice of the Annual Meeting at least thirty (30) days in advance of said meeting.

Section 2. In the case of any irreconcilable conflict between the Declaration, these Bylaws or the Articles of Incorporation of the Association, the provisions of the Articles will control.

ARTICLE XV 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.

IN WITNESS WHEREOF, we, being all of the Directors of the Bald Head Association, have hereunto set our hands and seals, this ____ day of _____, 2018.

President

Vice President

Secretary/Treasurer

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly appointed Assistant Secretary of the Bald Head Association, a North Carolina corporation, and;

That the foregoing Bylaws constitute the amended Bylaws as of January 27, 2018, of said Association, as duly adopted at the annual meeting of the membership thereof, held on the 27 day of January, 2018, and amended thereafter.

IN WITNESS WHEREOF, I have hereunto subscribed by name and affixed the seal of said Association this the ____ day of _____, 2018.

_____(SEAL)

Secretary