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STATE OF NORTH CAROLINA

COUNTY OF BRUNSWICK

AMENDMENT TO PROTECTIVE COVENANTS
BALD HEAD ISLAND STAGE TWO

THIS AMENDMENT TO PROTECTIVE COVENANTS BALD HEAD ISLAND STAGE TWO ("Amendment") is made this 13th day of June, 2014 by Bald Head Island Stage Two Association, Inc., a North Carolina nonprofit corporation (the "Association").

WITNESSETH:

WHEREAS, Bald Head Island Limited, LLC, a Texas limited liability company f/k/a Bald Head Island Limited, a Texas limited partnership, caused to be recorded those certain Protective Covenants Bald Head Island Stage Two in Book 1045, at Page 676 in the office of the Register of Deeds of Brunswick County, North Carolina (as amended and supplemented, the "Protective Covenants"); and

WHEREAS, the terms set forth in this Amendment shall have the same meanings as set forth in the Protective Covenants unless otherwise defined or the context shall otherwise prohibit; and

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Attention: Justin M. Lewis



WHEREAS, pursuant to Article 9 of the Protective Covenants, the Association may amend the Protective Covenants with the approval of at least sixty percent (60%) of the votes cast by members in a meeting of the Association called for the purpose of amending the Protective Covenants; and

WHEREAS, the Association has obtained the approval of at least sixty percent (60%) of the votes cast by members in a meeting of the Association called for the purpose of amending the Protective Covenants.

NOW THEREFORE, pursuant to the authority above recited, the Association hereby amends the Protective Covenants as follows:

1. Article 6 of the Protective Covenants is amended by deleting the fourth paragraph of Article 6 in its entirety and inserting the following in lieu thereof:

The Association shall also have an affirmative obligation to maintain all private access easements and all driveway easements and improvements on either, to the extent conveyed to the Association or to the extent such responsibility is assigned to the Association by these Protective Covenants or any amendment hereto, in good condition, utilizing its funds to do so, notwithstanding the utilization or lack of utilization of such facilities by any or all Lot owners. Some of these private access easements (referred to herein as "Easements" and each an "Easement") are described in Amendments to these Protective Covenants recorded in the following Books and Pages of the Brunswick County Register of Deeds: Book 1380, at Page 707; Book 1380, at Page 714; Book 1380, at Page 721; Book 1382, at Page 241; Book 1573, at Page 785; Book 1590, at Page 290; Book 1953, at Page 505; and Book 1979, at Page 1227. The Association, with the approval, as to each particular Easement, of all the owners of the Lots subject to the particular Easement, as depicted on recorded plats of the Easements ("Easement Owners"), may dedicate the Easement to the Village of Bald Head Island for use by the public. Upon approval by the Association and the Easement Owners, a plat shall be recorded that indicates the dedication of the Easement to the Village of Bald Head Island for use as a public street. After the Association's compliance with the Village Code of Ordinances, including, without limitation, those



provisions applicable to a service access thoroughfare, and any other legal requirements applicable to the dedication and acceptance of the dedication of the Easement by the Village of Bald Head Island, the Association shall be responsible for the maintenance of the Easements only in the event the Village fails to keep the Easements in proper repair and free from unnecessary obstructions, abandons the Easements as provided by law, or by agreement of the Association and Village.

The Association shall maintain all insurance coverage it believes desirable, including, but not limited to, officers and directors liability insurance, general liability insurance, workman's compensation insurance, and casualty insurance.

2. Article 4 of the Protective Covenants is amended by deleting the first sentence in its entirety and inserting the following in lieu thereof:

The Association shall create the Stage Two Architectural Review Committee ("ARC") to review all substantial site alterations and all proposed building and construction plans. The ARC shall consist of a minimum of five (5) but not more than nine (9) members, who shall be appointed by the Board of Directors and who shall serve at the pleasure of the Board of Directors. Each member of the ARC shall serve for a term of three (3) years, unless earlier removed by the Board of Directors. There shall be no limit on the number of terms which a member may serve. All members of the ARC shall be members of the Association with the exception that a maximum of two (2) members of the ARC may be Design Professionals ("Design Professionals" shall include engineers, architects, surveyors, interior designers, landscapers, and other professionals engaged in the business of constructing or designing residential homes or landscaping) who are not members of the Association. The presence of at least fifty percent (50%) of the members of the ARC at a meeting of the ARC shall constitute a quorum. The Board of Directors may also appoint a "Board Liaison" to serve as an ex-officio member of the ARC. The Board Liaison may attend ARC meetings as a non-voting member and perform other duties as set forth by the Board of Directors.



3. The Protective Covenants are amended as necessary to provide that all references in the Protective Covenants to "Committee" shall mean and refer to the "ARC."
4. Article 5 of the Protective Covenants is amended by adding the following to the end of the third sentence of the first paragraph of Article 5: "(together with the plat of the Lot and any other documents required by the ARC, the "Plans")."
5. Article 5 of the Protective Covenants is further amended by deleting the last sentence of the first paragraph in its entirety and inserting the following in lieu thereof: "The number, type and size of Plans (and certain documents included within the Plans) which must be submitted to the ARC for approval shall be set forth in the Guidelines."
6. Article 5 of the Protective Covenants is amended by deleting the first four sentences of the second paragraph of Article 5 and inserting the following in lieu thereof:

The ARC shall advise a Lot owner who submits Plans for approval of its decision in writing, at an address specified by the Lot owner in the Plans, within forty-five (45) days after the date of the meeting at which the Plans are reviewed. Plans shall only be reviewed if they are complete as determined by the ARC pursuant to the section of the Guidelines entitled "Requirements for Submittal." The decision of the ARC may be an approval, a denial, an approval with conditions, or a request for additional information. A request for additional information shall be deemed a determination that the Plans were not complete, and new or revised Plans must be submitted for review by the ARC.
7. Article 9 of the Protective Covenants is deleted in its entirety and the following is inserted in lieu thereof:
 9. AMENDMENTS. These Protective Covenants shall continue in full force and effect until 12:00 noon on January 1, 2013, at which time they shall automatically extend for additional successive periods of ten (10) years unless a document terminating these Protective Covenants is recorded in the office of the Register of Deeds of Brunswick County. These Protective Covenants may be amended by the Association with the approval of at least sixty percent (60%) of those membership votes in attendance either in person or by proxy at a meeting duly called for such purpose. Members may also vote on amendments to these Protective Covenants by written ballot pursuant to Chapter 55A of the North



Carolina General Statutes. Amendments to these Protective Covenants shall become effective upon recording in the office of the Register of Deeds of Brunswick County.

8. Except as expressly provided in the paragraphs above, the terms and provisions of the Protective Covenants shall continue in full force and effect as the same are modified hereby.

IN TESTIMONY WHEREOF, the Association, acting pursuant to the authority above recited, has caused this Amendment to be executed under seal and in such form as to be legally binding, effective the day and year upon recording of this Amendment in the office of the Register of Deeds of Brunswick County, North Carolina.

BALD HEAD ISLAND STAGE
TWO ASSOCIATION, INC. (SEAL)

By: Patricia K. Barnard (SEAL)
Name: Patricia K. Barnard
Title: President - BHI Stage Two Association



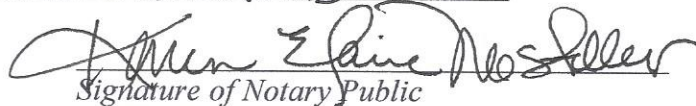
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STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

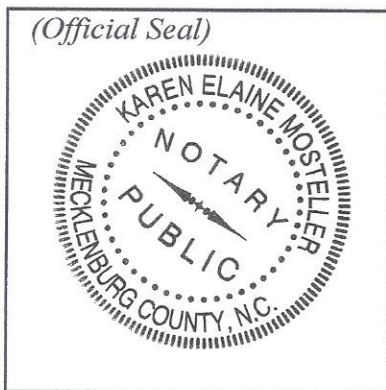
I certify that the following person personally appeared before me this day, acknowledging to me that he/she signed the foregoing document for the purpose(s) stated therein, in the capacity indicated therein: PATRICIA K. BARNARD.

Date: 6/13/2014


Signature of Notary Public

KAREN ELAINE MOSTELLER
Notary's printed or typed name

My commission expires: 4/10/2015



Notary seal or stamp must appear within this box.

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