APPOINTMENT OF PROXY

I, _____, hereby appoint Robert Drumheller, Secretary of the 2021 BHA Board of Directors (the "Board Secretary"), proxy with full power of substitution to act and vote on my behalf at the Annual Meeting of members of the BHA to be held electronically on January 29, 2022, at 9am, and at any adjournment or adjournments thereof, as fully as the undersigned member would be entitled to act and vote if personally present. The undersigned directs the Board Secretary to vote as follows:

SELECT EITHER OPTION A OR OPTION B. *If you do not indicate option A or B but have signed your name below, BHA will presume this proxy to direct the BHA Board to vote as it deems appropriate.**

_____ A. I direct the Board Secretary to cast all of my votes as directed by a majority of the 2021 BHA Board.

_____ B. I direct the Board Secretary to cast my votes as follows:

I. FOR THE ELECTION OF DIRECTORS:

____ Joe Brawner ____ John Kinney

____ Christine Osborne ____ Bill Staton

(Note: There are two vacancies on the BHA Board for 2022. Cumulative voting is permitted.)*

II. BALD HEAD ASSOCIATION BYLAWS

Article III – Section 3 – Meeting of Members.
The proposed change in Section 3 allows BHA to provide electronic notice of any meeting of the BHA membership rather than mailing hard copies of such notices. This proposed change is duplicated in a change to Article XIV, Section 1.

CURRENT LANGUAGE:
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.

PROPOSED LANGUAGE:
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 member to the Association for the purpose of notice or to the email address supplied by the member, provided the member has consented to transact business with the Association electronically. 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.

_____ I direct the BHA Board of Directors to cast my vote(s) in favor of the bylaws change.

_____ I direct the BHA Board of Directors to cast my vote(s) against the bylaws change.

Article III – Section 5 – Meeting of Members.
The proposed change in Section 5 allows the use electronic voting and not just paper proxies/ballots for any meeting of the BHA membership.

CURRENT LANGUAGE
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.

PROPOSED LANGUAGE
Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be (1) in writing and filed with the Secretary or (2) validated through a third-party electronic voting system and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot. The Board of Directors shall vote undesignated proxies.

_____ I direct the BHA Board of Directors to cast my vote(s) in favor of the bylaws change.

_____ I direct the BHA Board of Directors to cast my vote(s) against the bylaws change.

Article XI – Committees.
There are three proposed changes to Article XI – Committees. The first establishes a new Community Wide Standards Committee. The second and third change the names of committees to define more clearly their roles and functions.

1. After the Architectural Review Committee, the following proposed language shall be added:

   Community Wide Standards Committee
   a. Teams of committee members shall make regular evaluations of the neighborhoods in order to permit the BHA to identify properties in need of maintenance to comply with the Community Wide Standards.
   b. The committee as a whole shall seek to view and evaluate or look at photos of all properties, if possible, teams have identified as in violation.
   c. The committee as a whole should vote on whether or not homes are in violation.
   d. For all properties for which a violation is found by a majority of the committee, the then current Community Wide Standards procedure should be followed.

_____ I direct the BHA Board of Directors to cast my vote(s) in favor of the bylaws change.

_____ I direct the BHA Board of Directors to cast my vote(s) against the bylaws change.

---

2. Change the name Socialization, Education and Recreation Committee to Education and Recreation Committee.

_____ I direct the BHA Board of Directors to cast my vote(s) in favor of the bylaws change.

_____ I direct the BHA Board of Directors to cast my vote(s) against the bylaws change.

---

3. Change the name Strategic Planning and Long-Term Projects Committee to Long-Range Planning Committee.

_____ I direct the BHA Board of Directors to cast my vote(s) in favor of the bylaws change.

_____ I direct the BHA Board of Directors to cast my vote(s) against the bylaws change.

ARTICLE XIV – Section 1 – AMENDMENTS.
The proposed change in Section 1 allows BHA to provide electronic notice of any proposed changes to the bylaws and the annual membership meeting rather than mailing hard copies of such notices. This proposed change is duplicated in Article III, Section 3.

CURRENT LANGUAGE:
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.

PROPOSED LANGUAGE:
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 provided to the membership along with notice of the Annual Meeting at least thirty (30) days in advance of said meeting. Such notices may be sent by email provided the member has consented to transact business with the Association electronically or by hard copy mailed postage prepaid to the most recent address of the owner of record at the time of the mailing.

_____ I direct the BHA Board of Directors to cast my vote(s) in favor of the bylaws change.

_____ I direct the BHA Board of Directors to cast my vote(s) against the bylaws change.

ARTICLE XIV – Section 2 – AMENDMENTS.
The proposed change in Section 2 eliminates an inconsistency in the hierarchy of governing documents in the event of a conflict between them.

CURRENT LANGUAGE:
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.

PROPOSED LANGUAGE:
In the case of any irreconcilable conflict between the Declaration, these Bylaws or the Articles of Incorporation of the Association, the provisions of the Declaration will control over the Articles and Bylaws, and the Articles will control over the Bylaws.

_____ I direct the BHA Board of Directors to cast my vote(s) in favor of the bylaws change.

_____ I direct the BHA Board of Directors to cast my vote(s) against the bylaws change.

III. BALD HEAD ASSOCIATION COVENANTS

ARTICLE 5.1(B) – ASSESSMENTS. CREATION OF ASSESSMENTS.
BHA proposes to remove the requirement for an officer of the Association to sign a certificate stating whether assessments have been made. In prior years, volunteers performed all of the financial responsibilities of the Association. Today, paid staff perform this function on a regular basis. Removing this requirement allows staff to provide statements to members quicker and more efficiently. This proposed change is duplicated in Article 5.7.

CURRENT LANGUAGE
5.1(b) Assessments. Creation of Assessments. The Association will, upon request, furnish to any Owner liable for any type of assessment a certificate in writing signed by an officer of the Association setting forth whether such assessment has been paid. Such certificate will be conclusive evidence of payment The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

PROPOSED LANGUAGE
5.1(b) Assessments. Creation of Assessments. The Association will, upon request, furnish to any Owner liable for any type of assessment a certificate in writing setting forth whether such assessment has been paid. Such certificate will be conclusive evidence of payment. The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

_____ I direct the BHA Board of Directors to cast my vote(s) in favor of this amendment.

_____ I direct the BHA Board of Directors to cast my vote(s) against this amendment.

ARTICLE 5.7 – DUE DATES OF GENERAL ASSESSMENT.
BHA proposes to remove the requirement for an officer of the Association to sign a certificate stating whether assessments have been made. In prior years, volunteers performed all of the financial responsibilities of the Association. Today, paid staff perform this function on a regular basis. Removing this requirement allows staff to provide statements to members quicker and more efficiently. This proposed change is duplicated in Article 5.1(b).

CURRENT LANGUAGE
5.7 Due Dates of General Assessment. The Board of Directors will fix the amount of the General Assessment against each Unit at least thirty (30) days in advance of the due date. Written notice of each General Assessment will be sent to every Owner subject thereto. The due dates will be established by the Board of Directors. The Board of Directors will require the General Assessment be paid at least annually, but may require them to be paid more often. Special Assessments and Supplemental Assessments may be collected separately from the General Assessments and the Board may require that they be paid, annually, semiannually, quarterly, or

monthly. The Association will, upon request, furnish a certificate signed by an officer of the Association setting forth whether the General Assessment, Special Assessment, or Supplemental Assessment on a specified Unit have been paid.

PROPOSED LANGUAGE
5.7 Due Dates of General Assessment. The Board of Directors will fix the amount of the General Assessment against each Unit at least thirty (30) days in advance of the due date. Written notice of each General Assessment will be sent to every Owner subject thereto. The due dates will be established by the Board of Directors. The Board of Directors will require the General Assessment be paid at least annually, but may require them to be paid more often. Special Assessments and Supplemental Assessments may be collected separately from the General Assessments and the Board may require that they be paid, annually, semiannually, quarterly, or monthly. The Association will, upon request, furnish a certificate in writing setting forth whether the General Assessment, Special Assessment, or Supplemental Assessment on a specified Unit have been paid.

_____ I direct the BHA Board of Directors to cast my vote(s) in favor of this amendment.

_____ I direct the BHA Board of Directors to cast my vote(s) against this amendment.

ARTICLE 7.1(C) – DESIGN GUIDELINES. GENERAL.
BHA proposes to remove in its entirety the requirement that any improvement to the Common Area be approved by the Architectural Review Committee for two reasons. First, this provision as it is currently written provides the authority to the Architectural Review Committee, whose members are appointed by the Board of Directors, to override decisions a majority of the Board whom the BHA membership has duly elected makes regarding improvements to BHA's Common Area. Secondly, the Architectural Review Committee has expressed concern about approving commercial projects given that the standards by which it would review such projects are largely written for residential development.

CURRENT LANGUAGE (PROPOSED TO BE REMOVED)
7.1(c) Design Guidelines. General. This ARTICLE will apply to improvements to the Common Area by, or on behalf of, the Association.

_____ I direct the BHA Board of Directors to cast my vote(s) in favor of this amendment.

_____ I direct the BHA Board of Directors to cast my vote(s) against this amendment.

ARTICLE 11.2 – RESPONSIBILITY OF OWNER.
The change in this section is strictly to correct two scrivener's errors, changing the word "slightly" to "sightly" and "prorate" to "pro rata" in the body of the text.

PROPOSED LANGUAGE
11.2 Responsibility of Owner. Each Unit Owner will maintain and preserve the grounds of the Unit, Living Unit, and all structures located thereon in a clean, neat, sightly and attractive condition; and will provide for the removal of all trash or refuse from the Unit. This removal will be consistent with the Community Wide Standard and all applicable covenants, unless such maintenance responsibility is otherwise assumed by or assigned to the Association pursuant to this Declaration. In addition to any other enforcement rights, if an Owner fails properly to perform his or her maintenance responsibility, the Association may, but is not required to, perform such maintenance responsibility and assess all costs incurred by the Association against the Unit and the Owner in accordance with ARTICLE 5. The Association will afford the Owner reasonable notice and an opportunity to cure the problem prior to entry. Within certain subdivisions or communities depicted in EXHIBIT B, certain properties as shown on recorded plats of said subdivisions shall be owned by the Owner of more than one Lot, for the sole benefit and use of said Owners. For example, a common driveway may provide access to two or more Lots, or a common walkway may provide beach access or access to other areas to the Owners of two or more Lots. The Owners of such Lots shall have the primary responsibility for the maintenance and upkeep of such jointly-owned properties. However, to the extent that one or more of said Owners fail or refuse to maintain such properties in a good, useable and sightly condition, or to the extent that one or more of such Owners does not pay said Owner's pro rata share for the upkeep and maintenance of such facility, the Association shall have the full right and authority to go upon such property, and to bring such improvements located hereon into a good, sightly, useable condition, or to cause landscaping or maintenance to be undertaken to maintain the safety and sightly appearance of such property, and the Association shall have the right to assess, in the nature of a special assessment, without approval of any Owner, the cost thereof against any Owner not contributing said Owner's fair and pro rata share of the cost of such activities or improvements. Before the Association undertakes such action or expends any funds, the Association shall give a written notice to all affected owners, giving such Owners thirty (30) days in which to take the required action or to pay the required fees. Failure of the Owners to then so act shall give the absolute right to the Association to proceed as allowed herein, and to collect as part of the assessment an additional twenty percent (20%) of the cost of the work performed as an administrative and supervisory fee.

_____ I direct the BHA Board of Directors to cast my vote(s) in favor of this amendment.

_____ I direct the BHA Board of Directors to cast my vote(s) against this amendment.

ARTICLE 17 – STAGE TWO SECONDARY COVENANTS.

Currently, there are 37 individual sets of Secondary Covenants that govern various areas of the East End of the Island. BHA is required to enforce these covenants as a result of the merger with the Stage Two Association. However, BHA has no authority to help owners within those areas amend their respective Secondary Covenants should they desire to do so. BHA proposes to add a new section to Article 17 that authorizes the Board to approve an amendment to the Secondary Covenants as long as two-thirds of the owners subject those respective Secondary Covenants approve of the proposed amendment.

CURRENT LANGUAGE

17.1 References in Stage Two Secondary Covenants to Stage Two Primary Covenants. The Stage Two Secondary Covenants shall remain in full force and effect, but the Stage Two Primary Covenants are no longer in effect and have been replaced and superseded by this Declaration. The Stage Two Secondary Covenants contain references to the Stage Two Primary Covenants. Those references shall refer to certain sections of this Declaration as set forth on EXHIBIT C.

17.2 Enforcement of Stage Two Secondary Covenants. The Association is vested with exclusive authority to enforce the Stage Two Secondary Covenants, except to the extent that any of the communities so authorized by the Stage Two Secondary Covenants may, if they so desire, form a sub-association for the purpose of enforcing the Stage Two Secondary Covenants applicable to that particular community; provided that these communities may not be forced or otherwise compelled by the Association to form a sub-association.

[PROPOSED NEW SECTION TO BE ADDED]

17.3 Amendment of Stage Two Secondary Covenants. The Stage Two Secondary Covenants applicable to any particular community may be amended, by vote of two-thirds of those Members comprising the community, provided such amendment is approved by all of the Directors comprising the Board of the Association.

_____ I direct the BHA Board of Directors to cast my vote(s) in favor of this amendment.

_____ I direct the BHA Board of Directors to cast my vote(s) against this amendment.

**(Members are entitled to one vote per lot. Cumulative voting is permitted. Whole numbers only, please. Any proxy previously made by the undersigned for such meeting is hereby revoked. This proxy shall be effective only for the meeting and may be revoked at any time upon written notice to the Secretary or agent authorized to tabulate votes from the undersigned member.)*

List below the BHA properties you own by Lot Number OR Street Address.

Dated: _____, 20____

Signature: _____ Printed Name: _____

(By signing above, I certify that I am authorized to execute this proxy on behalf of all owners of the above listed property(ies).)

THIS PROXY MUST BE RECEIVED BY THE BHA OFFICE BY 4PM ON WEDNESDAY, JANUARY 26, 2021, IN ORDER TO BE COUNTED.

MAIL TO:

Bald Head Association
P.O. Box 3030
Bald Head Island, NC 28461

EMAIL TO:

Diane@BaldHeadAssociation.com

FAX TO:

1-888-280-4032