

Addendum to Lease and Operating Agreement

between The Colington Harbour Association, Inc.

and Colington Harbor Yacht & Racquet Club, Inc.

dated January 1, 2011

This Addendum to the Lease and Operating Agreement (hereinafter referred to as the "Agreement") between The Colington Harbour Association, Inc. (hereinafter referred to as "Landlord") and Colington Harbour Yacht & Racquet Club, Inc. (hereinafter referred to as "Tenant") dated January 1, 2011, is attached to and forms part of said Agreement.

The terms of this Addendum shall become effective as of December 31, 2013.

To the extent that any of the terms or conditions contained in this Addendum may contradict or conflict with any of the terms or conditions of the attached Agreement, it is expressly understood and agreed that the terms of this Addendum shall take precedence and supersede the attached Agreement.

The parties, for good consideration, hereby agree as follows:

For purposes of further clarification, Section 2, Article 2 (with a heading of "Rental"), Paragraphs A, B and C shall be modified to read:

2. Rental

For the Initial Term and any Renewal Term, rent for the coming year is payable in advance and is due from the Tenant by no later than January 1st each year. (For example, rent for the 2014 calendar year is due by no later than 1/1/14.)

The *total* rent due for the Initial Term shall be calculated utilizing an annual base rental amount *and, when necessary*, an additional amount to cover Capital Reserve shortfalls and/or necessary increases as noted in the Capital Reserve Study as outlined below. The base rental rate for the Initial Term shall be Twelve Thousand Dollars (\$12,000.00) per year.

Upon the conclusion of the Initial Term, should Tenant choose to exercise their right to renew the lease, the rent for the Renewal Term shall be equal to the amount necessary to fund the Capital Reserve at 100%, which shall be specified in the "Annual Contribution Club" amount as noted on the most recent Capital Reserve Study.

Landlord shall have a Capital Reserve Study independently conducted at least once every three (3) years and any additional rental amounts will be based on the most recent version of the Capital Reserve Study. Landlord shall advise Tenant of the total rent due for the coming year by July 1st of each year. (For example, Landlord will advise Tenant by July 1, 2014 of the total rents coming due by January 1, 2015.)

All rents collected by Landlord during the Initial Term, and all Renewal Terms, shall be specifically designated within the Landlord's internal accounting records as being restricted to use only toward the repair and/or replacement of items and improvements specified as "CHYRC ITEMS" within the most recent Capital Reserve Study. However, it is hereby expressly agreed that no changes may be made to the "CHYRC ITEMS" as noted in the July 14, 2013 version of the Capital Reserve study in the future without prior written consent that is signed by representatives of both parties hereto and duly notarized. A copy of the July 14, 2013 version is attached hereto for reference.

IN WITNESS OF the foregoing mutually agreed upon modifications to the terms of the January 1, 2011, Lease and Operating Agreement between The Colington Harbour Association, Inc., and the Colington Harbour Yacht & Racquet Club, Inc., we have set our seals hereto as of the date(s) set forth below.

The Colington Harbour Association, Inc. ("Landlord")

By: Marion E. Carroll

Date: 2/3/2014

The Colington Harbour Yacht & Racquet Club, Inc. ("Tenant")

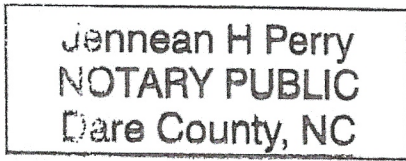
By: Frances Collins vice president

Date: 2/3/2014

STATE OF NORTH CAROLINA
COUNTY OF DARE

I, JENNEAN H. PERRY, a Notary Public for Dare County, North Carolina, do hereby
certify that FRANK HENDRICKS and JOHN COLLINS
personally appeared before me this day and acknowledged the due execution of the foregoing
Addendum to Lease and Operating Agreement.

Witness my hand and official seal, this the 3rd day of January, 2014.



Jennean H. Perry
Notary Public

Notary Seal

My Commission expires: 5-17-2014

- THIS AGREEMENT CHANGE CONSISTS OF A TOTAL OF FIVE PAGES)
- ADDENDUM TO LEASE AND OPERATING AGREEMENT (PAGES 1 + 2)
 - SIGNED NOTARY (3)
 - CAPITAL RESERVES (4 + 5)