

STATE OF NORTH CAROLINA
COUNTY OF BRUNSWICK

Brunswick County—Register of Deeds
Robert J. Robinson
Inst #115688 Book 1590Page 290
05/28/2002 09:31:21am Rec# 108677

AMENDMENT AND ANNEXATION TO PROTECTIVE COVENANTS
BALD HEAD ISLAND STAGE TWO
SINGLE FAMILY 1
CAPE FEAR STATION

This Amendment and Annexation to Protective Covenants, Bald Head Island Stage Two, ("Amendment") is made by Bald Head Island Limited this 24th day of MAY, 2002.

RECITALS:

Bald Head Island Limited, a Texas Limited Partnership qualified to do business in the State of North Carolina ("Declarant") is the developer of property generally referred to as Bald Head Island. In furtherance of that plan of development, Declarant did record Protective Covenants for Bald Head Island Stage Two, dated August 3, 1995 ("Protective Covenants"), which Protective Covenants are recorded in Deed Book 1045, Page 676 et seq., Brunswick County Registry. Paragraph 2 of the Protective Covenants authorizes and allows Declarant to annex additional property on Bald Head Island to the provisions of the Protective Covenants, and to subject lots so annexed to building and site restrictions as may be set out in the Amendment annexing said lots.

By execution and recordation of this Amendment, it is the intent of the Declarant to annex those properties described hereinafter to the terms, provisions and conditions of the Protective Covenants, subject to the specific provisions contained herein.

The Protective Covenants, as previously amended, are hereby further amended as follows:

1. ADDITIONAL PROPERTIES. The provisions of the Protective Covenants shall apply fully to all of the property (including odd-numbered Lots 5015 through 5029) as shown on that plat recorded in Map Cabinet 26, Instrument 225, Brunswick County Registry ("Plat"), as the same may be amended from time to time. As used herein, "Lot" shall mean any numbered Lot designated for residential use as shown on the Plat made subject to the Protective Covenants by this Amendment.
2. ASSOCIATION. As set out in the Protective Covenants, Declarant has chartered a North Carolina non-profit homeowners association named Bald Head Island Stage Two Association, Inc. ("Association"). The owner of each Lot shall be a member of the Association, and shall be required to pay dues thereto as set out in the Protective Covenants. The owner of each of the Lots shall begin paying dues to the Association as of the date of acquisition of title, and as for Lots owned by Declarant or an entity

RET Guido Ward
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owned or controlled by Declarant, as of January 1, 2003, if not previously conveyed to a third party.

3. SINGLE FAMILY UTILIZATION. Except for such other uses as are hereinafter reserved to Declarant, all Lots shall be limited to use only for single family residential purposes. All of the provisions of Paragraph 3 of the Protective Covenants are specifically incorporated herein by reference.
4. SETBACKS. There shall be no setbacks, other than those imposed by the Village of Bald Head Island or other governmental authority, as set forth on the Plat, or as contained in the Cape Fear Station Design Guidelines ("Guidelines"), except that all construction of every Living Unit is subject to the approval of the Committee, as more fully set out in Paragraph 4 of the Protective Covenants. No construction except improvements allowed in accordance with the ordinances of the Village of Bald Head Island shall be allowed within any setback imposed by the Village of Bald Head Island. The primary Living Unit may not be constructed within any setback, no matter by whom established. Improvements other than the primary Living Unit, if approved by the Committee, may be constructed within setbacks established by Declarant.
5. COMBINATION OF LOTS. Any two or more contiguous Lots shown on the Plat may be combined into a single Lot, and the provisions of Paragraph 12 of the Protective Covenants shall apply thereto. In the event of such a combination of Lots, any easements or set back requirements, whether set forth herein or appearing on the Plat, which are located along or pertain to a Lot line between any two combined Lots, shall, upon such combination of Lots, be extinguished, provided that said easements shall be extinguished only to the extent that they are used to provide services solely to the combined Lots.
6. LIMITATION ON HEIGHT. No structure constructed on any Lot shall exceed thirty-five (35) feet in height as measured from the lowest natural point where the building perimeter meets grade to the roof ridge. The provisions of Paragraph 19 of the Protective Covenants are specifically incorporated herein by reference.
7. BUILDING AND SITE RESTRICTIONS. All Lots as shown on the Plat shall be subject to the following restrictions:
 - (a) The Declarant has adopted certain Design Guidelines for the Cape Fear Station Development ("Guidelines"), which are incorporated herein by this reference, and which will be applied by the Committee when approval is sought for construction pursuant to the Protective Covenants. All Lots shown on the Plat are subject to both the general Guidelines and the specific Guidelines applicable to the lot types described therein, as the same may be

amended from time to time by Declarant or the Association. Declarant reserves the right to change the lot type designation for any Lot prior to the sale of said Lot to a third party, notwithstanding the sale of other Lots which are subject to the Guidelines. For purposes of the Guidelines, the Lots shown on the Plat shall have the following lot type designations: Lot 5015 is designated "Cottage (C)"; odd-numbered Lots 5017 through 5027 are designated "Manor (M)"; Lot 5029 is designated "House (H)". In accordance with the Guidelines, the minimum square footage of heated, enclosed living space for each approved Living Unit shall be as follows: on Lot 5015, 700 square feet, and the maximum shall be 40% of total Lot area, but not to exceed 2,000 square feet; on odd-numbered Lots 5017 through 5027, 1,600 square feet, and the maximum shall be 30% of the total Lot area, but not to exceed 3,500 square feet; on Lot 5029, 1,000 square feet, and the maximum shall be 30% of the total Lot area, but not to exceed 3,000 square feet.

- (b) Each Lot owner shall keep the grounds on his Lot and all structures located thereon in a clean, neat and sightly condition, and shall provide for the regular removal of all trash or refuse from the Lot.
- (c) No animals, livestock or poultry of any kind shall be kept or maintained on any Lot except that no more than 2 dogs or cats are allowed, provided they are attended as required by the ordinances of the Village of Bald Head Island.
- (d) In order to comply with the North Carolina Coastal Storm Water Regulations enacted by the Department of Environmental Management of the State of North Carolina, each Lot shall contain a maximum square footage covered by impervious surfaces (as defined by the Department of Environmental Management), which limitation shall be as follows: for Lot 5015, two thousand five hundred (2,500) square feet; for odd-numbered Lots 5017 through 5025, three thousand nine hundred fifty (3,950) square feet per Lot; for Lots 5027 and 5029, three thousand (3,000) square feet per Lot. Impervious surfaces include structures, paved surfaces, walkways, patios of brick, stone, slate and similar materials, and use of other materials that substantially negatively impact the ability of water to be assimilated into the soil. This provision is intended to ensure continued compliance with storm water runoff regulations adopted by the State of North Carolina, and therefore this Paragraph 7(d) may be enforced by the State of North Carolina, as well as any other party entitled to enforce the Protective Covenants. To the extent that the State of North Carolina should revise its existing stormwater permit to allow different imperious surface amount(s) on any one of more of the Lots, upon filing by Declarant or the Association of a notice of said change in permit, the impervious surface limitation as to said Lot or Lots shall be

automatically deemed amended to comply with the changed impervious surface limitation allowed by the State of North Carolina by permit. This provision, as well as all other provisions of the Protective Covenants, runs with the land and is binding on all persons owning any Lot as shown on the Plat. No amendment of this provision shall be allowed unless consented to in writing by the State of North Carolina, Department of Environmental Management.

- (e) As shown on the Plat, there is a private road, having a thirty (30') foot wide right-of-way, running between Lots 5025 and 5027 from Wash Woods Way (a public right-of-way) to property owned by Declarant which is adjacent and to the west of the Lots. This private road provides vehicular and pedestrian access to Declarant's said adjacent property. The use of said private road is hereby reserved for the benefit of the Declarant, the Association and its members, the Village of Bald Head Island, and all public and private utilities. The Declarant will hard-surface a minimum of ten (10') feet in width of the private road with either asphalt or concrete. It is expressly understood and agreed that the Association shall be responsible for the maintenance and upkeep of the entire private road right-of-way, including any walls or bulkheads therein, and shall cause it to be kept in a good and passable condition at all times.
- (f) As shown on the Plat, all of the Lots abut the public road right-of-way known as Wash Woods Way. It is the intention of Declarant that driveways providing ingress to and egress from the Lots to the public right-of-way shall be subject to the approval of the Committee as to size and location. Each owner shall, as required by the Association and/or the Village of Bald Head Island, install address bollards or other approved property identification at the front of his Lot. No improvements shall be constructed by the Owner of any Lot to the extent located between the public street adjacent to the Living Unit on said Lot, and the entry to the Living Unit closest thereto, which would significantly impede emergency access to said entry. Fencing must have unlocked gates sufficiently wide to accommodate such access.
- (g) There are hereby reserved for the benefit of the owners of the Lots within the Plat, the Declarant, the Association, and all public and private utilities, and for the benefit of the Village of Bald Head Island, those certain easements for the installation and maintenance of all utilities, public and private, and the maintenance of all roads, upon, under and across the following: the front seven (7') feet of each Lot and of the area designated Private Road, and seven (7') feet along the side Lot line adjacent to the public road known as Kinnakeet Way on corner Lot 5029.

- (h) Yards shall be maintained with natural vegetation. No grasses or ornamental vegetation shall be permitted, EXCEPT, in the event the Association adopts landscaping guidelines or standards specific to the Lots hereby annexed, then in that event such vegetation shall be permitted as is described in said guidelines or standards and approved for the Lot by the Committee.
 - (i) There will be installed on each of the Lots, by Bald Head Island Utilities, Inc., its successors or assigns (hereinafter Utility Company), a grinder pump for the removal of waste water generated at the Lot, together with the equipment, pipes and lines necessary to process and transport the waste water from the grinder pump to the sewer main tap located in the utility easement at the front of the Lot. The grinder pump for each Lot shall be installed within the area of the Lot designated for that purpose in the Guidelines, subject to approval by the Utility Company of the suitability of the exact location of said grinder pump. In no event shall any grinder pump be installed within five (5') feet of the exterior wall of any dwelling. There is hereby reserved, for the benefit of the Declarant and the Utility Company, a perpetual and assignable easement and right-of-way over, upon, under and across each of the Lots for the purpose of installing, accessing, monitoring, maintaining, repairing and replacing the grinder pumps and the appurtenant equipment, pipes and lines, which easements and rights-of-way shall run with the land. The Utility Company shall be responsible only for the re-establishment of the grade of any Lot upon which the aforesaid installation, maintenance, repair or replacement activity occurs, and the Lot owner shall be responsible for the restoration of any improvements or landscaping damaged or disturbed by such activity, and shall hold the Utility Company, its agents and employees, free and harmless from liability therefor.
 - (j) To the extent that the Village of Bald Head Island enforces driving regulations, including, without limitation, limitations on speed and requirements as to the qualification and condition of the driver of any vehicle, said regulations and conditions are herein specifically incorporated by reference, and the Village of Bald Head Island is specifically granted authority to enforce those regulations and conditions on the private road shown on the Plat. It is expressly acknowledged and understood that the Village of Bald Head Island has no affirmative obligation to enforce said rules and regulations, but may elect to do so.
8. DEFINITIONS. All capitalized terms set out within this Amendment shall have the meaning specified herein, and if not so specified, the definition as contained in the Protective Covenants shall be applicable.

9. INCORPORATION BY REFERENCE. Except as specifically amended by a provision contained within this Amendment, or by a specific limitation contained in the Protective Covenants, all the terms, provisions and conditions of the Protective Covenants are made fully applicable to the property described in Paragraph 1 hereinbefore.
10. WAIVER. The Village of Bald Head Island is specifically released and held harmless from any claim for damages to property within Single Family 1, Cape Fear Station, whether such damage occurs to or within the private road right-of-way shown on the Plat, to the extent such damages are caused by vehicles or equipment utilizing said private road or otherwise responding to an emergency or providing municipal services to property within the Plat. It is specifically understood that there is a possibility that pavement or road shoulders could be damaged or destroyed, and the Association assumes the full responsibility for repairing any such damage. Emergency and municipal vehicles, including trash removal vehicles, are specifically authorized to utilize the private road right-of-way to provide municipal services.
11. SUPPLEMENTAL DUES. Paragraph 6 of the Protective Covenants specifically authorizes the Association to assess a common group of Lots in Stage Two independently of assessments to other Lots, to the extent that such common group of Lots only is benefitted by such assessment. It is expressly acknowledged and understood that the Association may (but is not obligated to) assess only the owners of those Lots served by the private road shown on the Plat for all maintenance and upkeep expenses relating to improvements on and along said private road right-of-way maintained by the Association, and the Association may (but is not obligated to) include reserves for replacement and maintenance of the private road surface, which reserves shall be dedicated for the utilization of the repair and maintenance of the road and its shoulders within the right-of-way as shown on the Plat.
12. DECLARANT RESERVATION. There is hereby reserved to the Declarant, and to any assignee to whom Declarant transfers or assigns its interests hereunder, the right to use any Lot as a model home, sales office, or for any similar purpose related to the marketing and sale of the Lots, in accordance with Village of Bald Head Island ordinances, notwithstanding any other provisions of this Amendment or the Protective Covenants to the contrary, this right to expire when Declarant or its assigns is no longer actively engaged in the original sale of subdivided Lots on Bald Head Island.

This Amendment is executed as of the day and year first above written, on behalf of Declarant, by its Attorney in Fact, under authority duly granted.

BALD HEAD ISLAND LIMITED (SEAL)
a Texas Limited Partnership

By: *M. Kent Mitchell* (SEAL)
M. Kent Mitchell
Attorney in Fact

STATE OF NORTH CAROLINA
COUNTY OF BRUNSWICK

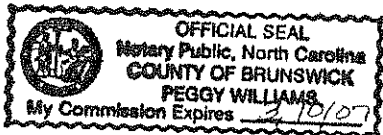
I, *Peggy Williams*, a Notary Public for said County and State, do hereby certify that M. Kent Mitchell, attorney in fact for Bald Head Island Limited, personally appeared before me this day, and being by me duly sworn, says that he executed the foregoing and annexed instrument for and in behalf of the said Bald Head Island Limited, and that his authority to execute and acknowledge said instrument is contained in an instrument duly executed, acknowledged, and recorded in the office of the Register of Deeds in the County of Brunswick, State of North Carolina, in Deed Book 1143 at Page 912, and that this instrument was executed under and by virtue of the authority given by said instrument granting him power of attorney.

I do further certify that the said M. Kent Mitchell acknowledged the due execution of the foregoing and annexed instrument for the purposes therein expressed for an in behalf of the said Bald Head Island Limited.

WITNESS my hand and official seal, this the *24th* day of *May*, 2002.

My Commission expires: *3/10/07*

Peggy Williams
Notary Public



STATE OF NORTH CAROLINA
COUNTY OF BRUNSWICK

The Foregoing (or annexed) Certificate(s) of PEGGY WILLIAMS

Notary(ies) Public is (are) Certified to be Correct.

This Instrument was filed for Registration on this 28th Day of May 2002
in the Book and page shown on the First Page hereof.

Robert J. Robinson
ROBERT J. ROBINSON, Register of Deeds

Brunswick County--Register of Deeds
Robert J. Robinson
Inst #187626 Book 1862Page 1156
11/24/2003 03:53:54pm Rec# 1780

RET Jude - BHI
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REC# _____ CK AMT _____ CK# _____
CASH _____ REF _____ BY JW

**CORRECTED DECLARATION AND
ADDENDUM TO AMENDMENT AND ANNEXATION
TO PROTECTIVE COVENANTS
BALD HEAD ISLAND STAGE TWO
SINGLE FAMILY 1 - CAPE FEAR STATION**

THIS CORRECTED DECLARATION AND ADDENDUM TO AMENDMENT AND ANNEXATION TO PROTECTIVE COVENANTS, BALD HEAD ISLAND STAGE TWO, SINGLE FAMILY 1, CAPE FEAR STATION, is made as of the 21st day of NOVEMBER, 2003, as follows:

WHEREAS, Bald Head Island Limited, a Texas limited partnership, is the developer of that certain real property located in the Village of Bald Head Island and known as Single Family 1, Cape Fear Station, Brunswick County, North Carolina; and,

WHEREAS, Bald Head Island Limited, as Declarant, has heretofore caused to be recorded in the records of the Brunswick County Registry in Book 1590 at Page 290, an Amendment and Annexation to Protective Covenants for Bald Head Island Stage Two, Single Family 1, Cape Fear Station, and has further caused to be recorded in said Registry in Map Book 26, Page 225, a Plat of survey which sets out and describes the real property and Lots subject to said Amendment and Annexation; and,

WHEREAS, the Declarant, as sole owner of a portion of said Single Family 1 consisting of Lots 5025, 5027, 5029, and the real property designated "Private Road" located between said Lots 5025 and 5027, all as set forth in the aforesaid Plat of survey, has caused said real property and Lots to be resurveyed and replatted, which Revised Plat of survey is recorded in Map Cabinet 29, Instrument 131, Brunswick County Registry; and

WHEREAS, the Protective Covenants for Bald Head Island Stage Two, dated August 3, 1995 and recorded in Deed Book 1045, Page 676, Brunswick County Registry, in paragraph 11 thereof, allow the Declarant to convey title to any road right-of-way to the Village of Bald Head Island and further, in paragraph 14 thereof, allow the Declarant to amend said Covenants without joinder of any other party to add or delete any incidental provisions deemed in the sole discretion of Declarant to be in the best interest of Declarant; and,

WHEREAS, the Declarant has determined that it is in the best interest of Declarant to dedicate and convey to the Village of Bald Head Island, as a public right-of-way, the aforesaid thirty (30') foot wide right-of-way designated "Private Road" on the original Plat, to establish, in its place and stead, a twenty (20') foot wide private alley ingress/ egress and utility easement, upon and across the north ten (10') feet of revised Lot 5027 and the adjacent south ten (10') feet of Lot 5029, and to revise Lot 5027 by adding property to the northwest corner thereof, all as shown on the Revised Plat;

NOW, THEREFORE, Bald Head Island Limited, Declarant and sole owner of all of the property and Lots shown on the aforesaid Revised Plat of survey, hereby amends and revises Lots 5025, 5027 and 5029, and the former Private Road between Lots 5025 and 5027, such that the size of Lot 5027 shall be increased from 8090 to 8879 square feet, said Private Road shall henceforth be a public street right-of-way known as "Kitty Hawk Way" and, together with the aforesaid Lots, shall be described as depicted in and with reference to said recorded Revised Plat. Said Lots and right-of-way, as revised, shall nonetheless remain subject to the Amendment and Annexation to Protective Covenants for Bald Head Island Stage Two, Single Family 1, Cape Fear Station, and any and all Addenda and amendments thereto.

FURTHERMORE, Bald Head Island Limited, Declarant and sole owner of all of the subject property and Lots, hereby revises the Amendment and Annexation to Protective Covenants for Bald Head Island Stage Two, Single Family 1, Cape Fear Station, as follows:

Subparagraph (e) of Paragraph 7, "BUILDING AND SITE RESTRICTIONS", is hereby deleted in its entirety and replaced with the following provision, to wit:

- (e) As shown on the Plat, there is an easement for ingress, egress, and the installation, maintenance and repair of public and private utilities, twenty (20') feet in width, designated "private alley", running upon and across the north ten (10') feet of Lot 5027 and the adjacent south ten (10') feet of Lot 5029, from Wash Woods Way (a public right-of-way) to property owned by Declarant which is adjacent and to the west of the Lots. This private alley easement, which burdens Lots 5027 and 5029, shall run with the land and shall provide vehicular and pedestrian access to Declarant's said adjacent property. The use of said private alley is hereby reserved for the benefit of the Declarant, the Association and its members, the Village of Bald Head Island, and all public and private utilities. It is expressly understood and agreed that the Association shall be responsible for the maintenance and upkeep of the entire private alley, including any asphalt, concrete or other hard surface, and any walls or bulkheads therein. The Association and shall cause the private alley to be kept in a good and passable condition at all times, and shall have no liability to the owners of Lots 5027 or 5029 for the removal, damage or destruction of any vegetation or improvements located within the easement area.

Further, subparagraph (g) of Paragraph 7, "BUILDING AND SITE RESTRICTIONS" shall be amended to substitute "Kitty Hawk Way" for "Private Road", and to extend the utility easements described therein to the entire area designated "Private Alley" on the Revised Plat.

Except as specifically amended and supplemented by this Addendum, all of the terms, provisions and conditions of the Protective Covenants for Bald Head Island Stage Two, and of the Amendment and Annexation to Protective Covenants, Bald Head Island Stage Two, Single Family I, Cape Fear Station, remain in full force and effect and fully applicable to the subject property described herein.

IN WITNESS WHEREOF, the undersigned being the Declarant herein has caused this instrument to be executed by its duly authorized attorney in fact, under seal, this the 21st day of NOVEMBER, 2003.

BALD HEAD ISLAND LIMITED (SEAL)
a Texas Limited Partnership

By: Stephen O. Robertson (SEAL)
Stephen O. Robertson
Attorney in Fact

STATE OF NORTH CAROLINA
BRUNSWICK COUNTY

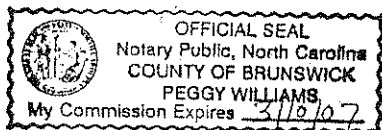
I, Peggy Williams, a Notary Public for said County and State, do hereby certify that Stephen O. Robertson, attorney in fact for Bald Head Island Limited, personally appeared before me this day, and being by me duly sworn, says that he executed the foregoing and annexed instrument for and in behalf of the said Bald Head Island Limited, and that his authority to execute and acknowledge said instrument is contained in an instrument duly executed, acknowledged, and recorded in the office of the Register of Deeds in the County of Brunswick, State of North Carolina, in Deed Book 1602 at Page 408, and that this instrument was executed under and by virtue of the authority given by said instrument granting him power of attorney.

I do further certify that the said Stephen O. Robertson acknowledged the due execution of the foregoing and annexed instrument for the purposes therein expressed for and on behalf of the said Bald Head Island Limited.

WITNESS my hand and official seal, this the 21st day of November, 2003.

{SEAL-STAMP}

Peggy Williams
Notary Public
My commission expires: 3/10/2007



STATE OF NORTH CAROLINA
COUNTY OF BRUNSWICK

N.E. GRID NORTH, N.A.D. 1927
 HORIZONTAL GRID DISTANCES
 GRID FACTOR = 1.000159



CAPE FEAR STATION
 BALD HEAD ISLAND LIMITED
 MAP SHEET 23 PAGE 259

APPROVED BY A. J. ...
 DATE 5/24/02

DATE OF SAID PLAN ...
 5/24/02

SECTION 24 OF THE ...
 TELEPHONE NUMBER 90-575-5200

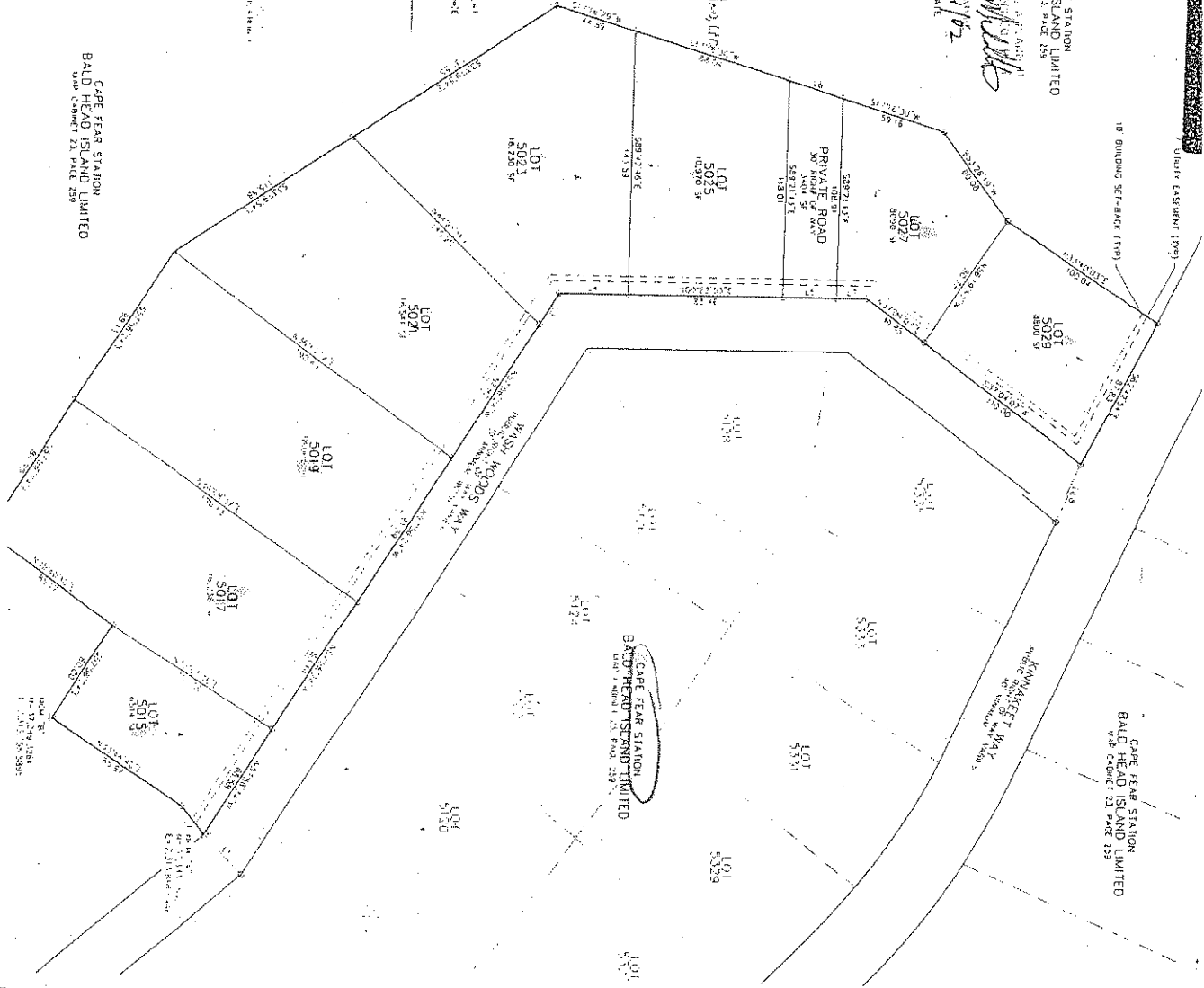
THIS PLAN ...
 A SURVEY THAT CREATES A SUBDIVISION ...

REVIEW OFFICER'S CERTIFICATE

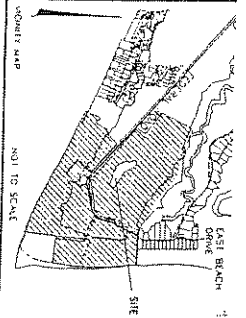
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 MIN. ...

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5	31.30	S17°18'50.0"
6	30.31	N00°00'00.0"
7	30.31	S87°21'28.1"

CAPE FEAR STATION
 BALD HEAD ISLAND LIMITED
 MAP SHEET 23 PAGE 259



CAPE FEAR STATION



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CAPE FEAR STATION
 BALD HEAD ISLAND LIMITED
 MAP SHEET 23 PAGE 259

CAPE FEAR STATION

05/28/02
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