

STATE OF NORTH CAROLINA
COUNTY OF BRUNSWICK

AMENDMENT AND ANNEXATION TO PROTECTIVE COVENANTS
BALD HEAD ISLAND STAGE TWO
SINGLE FAMILY 17
CAPE FEAR STATION

This Amendment and Annexation to Protective Covenants, Bald Head Island Stage Two, ("Amendment") is made by Bald Head Island Limited this 20th day of April, 2000.

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 Lot 2610, and the parcels designated as "Open Space") as shown on that plat recorded in Map Cabinet 22, Instrument 463 Brunswick County Registry, ("Plat") as the same may be amended from time to time. As used herein, "Lot" shall mean any numbered Lot (but not "Open Space") 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 or parcel of land in Single Family 17 as shown on the Plat shall be a non-voting member of the Association. Said Lots and parcels shall not be assessable by the Association, and the Owners thereof shall be exempt from the payment of dues or assessments to the Association with respect to said Lots and parcels, notwithstanding anything to the contrary contained in the Protective Covenants.

RET Jude Ward
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3. UTILIZATION OF PROPERTY. Except for such other uses as are hereinafter set forth, all Lots and Open Space areas shall be limited to use for passive recreational purposes and for underground utility installation in the easements, and no above-ground improvements shall be constructed or maintained on any Lot or Open Space, except for an open deck, walkway, gazebo, or similar structure(s) necessary or convenient for obtaining beach access over the Lots or Open Space areas. Notwithstanding anything contained herein to the contrary, Lot 2610 may be developed into no more than four (4) single-family residential lots, provided that Declarant must consent to such development in writing, and all approvals must be obtained from the Village of Bald Head Island. In any event, the Declarant shall not be obligated to consent to residential development of the Lot, and may refuse to give such consent, with or without cause, and Declarant shall not incur any liabilities to any person for such refusal.

As shown on the Plat, there is a fifteen (15') foot wide public beach access easement located upon the most westerly Open Space area. Said public access easement shall be conveyed to the Village of Bald Head Island by Declarant. There is hereby conveyed to the Association, for the benefit of the Association and the Village of Bald Head Island, an open space preservation easement in and upon all tracts designated as "Open Space" on the Plat.

4. PROPERTY RESTRICTIONS. All Lots and Open Space as shown on the Plat shall be subject to the following restrictions:
- (a) Each owner shall keep the grounds on his Lot or Open Space area, and all decks, walkways or other approved access 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 or Open Space.
 - (b) No animals, livestock or poultry of any kind shall be kept or maintained on any Lot or Open Space, 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.
 - (c) There is hereby reserved on the Lots and the Open Space, for the benefit of the Village of Bald Head Island, the Declarant and the Association, a beach disposal easement for sandy beach extending to the +11 foot NGVD contour, or the line of first stable vegetation, whichever is more seaward. This easement is for the deposit, placement, replacement, maintenance, stabilization, movement, grading, regrading and excavation of soils, including dredged soils, as deemed appropriate by the Village of Bald Head Island in order to accomplish beach nourishment and renourishment, and/or dune

construction, stabilization and maintenance, including the right to travel on or under such property with machinery necessary to accomplish the purpose of such easement.

- (d) 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 as to the front seven (7') feet of each Lot for the benefit of the Village of Bald Head Island for road maintenance, those certain easements for the installation and maintenance of all utilities, public and private, upon, under and across the following: the front seven (7') feet of each Lot (adjacent to the public road right-of-way), and five (5') feet along the side Lot lines of each Lot.
- (e) 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: 19,000 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 4(e) 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 impervious 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.

5. 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.

6. 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.

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
a Texas Limited Partnership

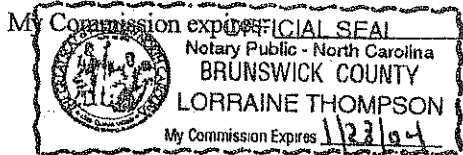
By: [Signature] (SEAL)
Kenneth M. Kirkman
Attorney in Fact

STATE OF NORTH CAROLINA
COUNTY OF BRUNSWICK

I, Lorraine Thompson, a Notary Public for said County and State, do hereby certify that Kenneth M. Kirkman, 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 916, 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 Kenneth M. Kirkman 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 20th day of April, 2000.



[Signature]
Notary Public

STATE OF NORTH CAROLINA
COUNTY OF BRUNSWICK

The Foregoing (or annexed) Certificate(s) of LORRAINE THOMPSON

Notary(ies) Public is (are) Certified to be Correct.
This Instrument was filed for Registration on this 20th Day of April, 2000
in the Book and Page shown on the First Page hereof.

[Signature]
ROBERT J. ROBINSON, Register of Deeds

