

STATE OF NORTH CAROLINA
COUNTY OF BRUNSWICK

Brunswick County--Register of Deeds
Robert J. Robinson
Inst #110150 Book 1573 Page 785
04/10/2002 08:51:06am Rec# 104081

AMENDMENT AND ANNEXATION TO PROTECTIVE COVENANTS
BALD HEAD ISLAND STAGE TWO
PHASE ONE, SURFMAN'S WALK
CAPE FEAR STATION - MULTI-FAMILY 3

This Amendment and Annexation to Protective Covenants, Bald Head Island Stage Two, ("Amendment") is made by Bald Head Island Limited this 9th day of April, 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 Units one [1] through ten [10], with the appurtenant decks, patios, crofters (C) and/or garages (G), and the area designated for "Future Development"), all as shown on that plat for Surfman's Walk, Cape Fear Station, Multi-Family 3, recorded in Map Cabinet 26, Instrument 89, Brunswick County Registry ("Plat"), as the same may be amended from time to time. As used herein, "Unit" shall mean any numbered building pad designated for construction of a residence ("Living Unit"), the building pad for the garage or crofter/garage combination assigned thereto, the stairs, deck and/or patio attached thereto or associated therewith, together with the land surrounding said building pads to the drip-line of the eaves thereof, as numbered and shown on the Plat, subject to such adjustment of said building pads as may be reasonably necessary due to specific site conditions (e.g., topography and vegetation) to allow construction thereon. The property shown on the Plat which is not included in a Unit and which has not been designated for Future Development is hereby declared to be Common Property of the Association (as defined in the Protective Covenants).

A-E JUDE / BALD HEAD ISLAND LTD
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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 Unit shall be a member of the Association, and shall be required to pay dues and assessments as set out in the Protective Covenants, including Supplemental Dues where applicable. The Owner of each of the Units shall begin paying dues and assessments to the Association as of the date of acquisition of title, and for Units owned by Declarant or an entity owned or controlled by Declarant, as of the calendar year following the issuance of a certificate of occupancy for the Unit, if not previously conveyed to a third party. For all purposes of the Protective Covenants, including but not limited to the assessment and collection of dues, a Unit described hereunder shall be the equivalent of a Lot as set forth and defined therein.
3. SINGLE FAMILY UTILIZATION. Except for such other uses as have been or are hereinafter reserved to Declarant, all Units 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. The Plat sets out allowed building pads for the primary Living Unit and its garage or crofter/garage combination for each Unit. The actual location of said building pads is subject to such adjustment as may be reasonably necessary, due to specific site conditions, to allow construction thereon while having a minimal impact on the topography, vegetation, and other natural features of the area. There shall be no setbacks, other than those imposed by the Village of Bald Head Island or other governmental authority, except that all construction of every Living Unit and garage or crofter/garage combination must be within the designated building pad(s) as shown on the Plat or as reasonably adjusted, subject to the approval, rules, and regulations of the Committee, as more fully set out in Paragraph 4 of the Protective Covenants. This requirement to construct within the designated building pad, as shown on the Plat or as reasonably adjusted, shall specifically take precedence over any presumed setbacks as set out in Paragraph 8 of the Protective Covenants. Stairs, decks, and patios may be constructed outside the building pads, subject to approval by the Committee. In any event, 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. Improvements other than the primary Living Unit and its garage or crofter/garage, if approved by the Committee, may be constructed within setbacks established by Declarant.
5. LIMITATION ON HEIGHT. No structure constructed on any Unit 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.

6. BUILDING AND SITE RESTRICTIONS. All Units 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 Units 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 Unit prior to the sale of said Unit to a third party, notwithstanding the sale of other Units which are subject to the Guidelines. For purposes of the Guidelines, the lot-type designation for the Units shown on the Plat shall be: "Surfman's Walk Cottage". In accordance with the Guidelines, the minimum square footage of heated, enclosed living space for each approved Living Unit shall be 1,250 square feet, and the maximum shall be 1,300 square feet.
- (b) Each Unit Owner shall keep all buildings located within his Unit in a clean, neat and sightly condition, and shall provide for the regular removal of all trash or refuse from his Unit, and shall further, at his own expense, be responsible for maintaining in good repair and in a safe, clean, and sightly condition the Living Unit itself (including its garage and/or crofter), and the stairs, deck, and/or patio attached to, associated with, or benefiting the Unit, even though the same may be located upon Common Property; PROVIDED, that the Association shall be responsible for the maintenance and upkeep of any pedestrian paths and fences constructed upon the Common Property, the wood walkway to be built by Declarant around the Open Space area shown on the Plat (which walkway will connect to the private access easement shown on the Plat as Surfman John Price Alley), any benches and/or trellises attached to said walkway, and the gazebo to be built by Declarant within the Open
- (c) No animals, livestock or poultry of any kind shall be kept or maintained on any Unit 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, all of the property shown on the Plat, including the Units, appurtenances constructed thereon, and the area designated for Future Development, shall contain a maximum area of 0.74 acre covered by impervious surfaces (as defined by the Department of Environmental Management). 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 a different impervious surface amount on the property shown on the Plat, upon filing by Declarant or the Association of a notice of said change in permit, the impervious surface limitation as to said property 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 Unit or property 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, Surfman John Price Alley is a private easement which provides vehicular access to the combined crofter/garages for Units 1 and 2 (C1 and C2 on the Plat), as well as to certain properties in the adjacent Single Family 5 section of Cape Fear Station. Owners of said Units are hereby prohibited from establishing driveways or vehicular entrances of any kind along said easement except as are approved by the Committee. Said easement is hereby reserved for the benefit of the Association, its members, the Village of Bald Head Island, and all public and private utilities. The Declarant is required to hard-surface a minimum of ten (10') feet in width of said private easement with either asphalt or concrete. It is expressly understood and agreed that the Association shall be responsible for the maintenance and upkeep of said private easement in its entirety, including any walls or bulkheads therein, and shall cause it to be kept in good and passable condition at all times. The Association shall have no maintenance obligation as to any driveway or connection extending from said private easement, even if the same lies within the easement area.
- (f) As shown on the Plat, vehicular access to the garages or combined crofter/garages on all of the Units, except Lots 1 and 2, will connect to a public road right-of-way, Chicamacomico Way. It is the intention of Declarant that there shall be one driveway providing ingress to and egress from each Unit, that each shall be surfaced with gravel, and shall be constructed at the specific location approved by the Committee. Owners are hereby prohibited from establishing other driveways or vehicular entrances of any kind along Chicamacomico Way. Each Owner shall be responsible for the maintenance

and upkeep of the driveway serving his Unit, even though the same may be located on Common Property or in the private vehicular access easement, and each Owner shall install address bollards or other approved property identification at his Unit as required by the Association and/or the Village of Bald Head Island. No improvements shall be constructed by the Owner of any Unit to the extent located between the public street or private access easement nearest the Living Unit and the entry to said Living Unit, 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 Units 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 and alleys, upon, under and across the following: the private vehicular access easement shown on the Plat, the front seven (7') feet of the property (including Unit(s), Common Property, and property for Future Development) depicted on the Plat which is adjacent to the public road rights-of-way (Chicamacomico Way and Kinnakeet Way), and five (5') feet along and adjacent to the drip-lines of the eaves on the sides of each Unit. There is further reserved, for the benefit of the Owners of the Units, the Declarant, the Association, and all public and private utilities, such easements upon, across, and under the Common Property and the area designated for Future Development as may be necessary for the installation and maintenance of utilities to service each and every Unit shown on the Plat, as well as other lots or units in Cape Fear Station.
- (h) No overnight parking shall be allowed within the private vehicular access easement shown on the Plat, and the Association shall maintain at all times a vertical clearance of at least twelve (12') feet above said easement, in order to facilitate emergency vehicle access to and from adjacent Units.
- (i) All property shown on the Plat subject to this Amendment 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 property hereby annexed, then in that event such vegetation shall be permitted as is described in said guidelines or standards and approved by the Committee.

7. 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.

8. 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.
9. WAIVER. The Village of Bald Head Island is specifically released and held harmless from any claim for damages to property within the Plat, whether such damage occurs to or within the private vehicular access easement shown on the Plat, to the extent that such damages are caused by vehicles or equipment utilizing said private easement 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 to the private easement. Emergency and municipal vehicles, including trash removal vehicles, are specifically authorized to utilize Surfman John Price Alley to provide municipal services.
10. COMMON PROPERTY. All property shown on the Plat which is not included within a Unit (as herein defined), and which is not designated for Future Development, shall be considered Common Property, to be owned, held, managed and maintained for the benefit of the members of the Association, and title to which shall be conveyed by Declarant to the Association on or before the sale of the last Unit to a person or entity other than an entity owned or controlled by Declarant. All such Common Property shall be available for the use and benefit of the members of the Association, subject to the provisions of these Protective Covenants and the reasonable rules and regulations adopted from time to time by the Board of Directors of the Association. To the extent that an Owner is responsible, under these Covenants, for the cost of maintaining an improvement attached to or associated with his Unit and located upon Common Property, the use and benefit of such improvement shall be limited to the Owner and his invitees. The Declarant shall, at its expense, construct upon the Common Property the following improvements for the use and benefit of the members of the Association, to wit: a gazebo, wood walkway with benches and trellis around the Open Space, wood fences, and pedestrian paths.
11. SUPPLEMENTAL DUES. Paragraph 6 of the Protective Covenants specifically authorizes the Association to assess Supplemental Dues to a common group of lots independently of dues 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, in its discretion, limit the use of the Common Property and the improvements to be located on the Common Property to the Owners of the Units depicted on the Plat. In that event, the Association would assess only said Unit Owners for the maintenance and upkeep expenses relating to said Common Property and the improvements located thereon, specifically including (but not limited

to) the grounds, paths, fences, wooden walkways, benches, trellises and gazebo, should the Board of Directors of the Association, in its sole and unlimited discretion, deem it to be in the best interests of the Association to do so. In such event, the Association may but is not obligated to include reserves for replacement and maintenance of the Common Property improvements, which reserves shall be dedicated for the utilization of the repair and maintenance of said improvements as shown on the Plat or any amendment thereto.

12. OPTIONAL SUBASSOCIATION. At any time after all Units depicted on the Plat have been sold by Declarant to persons or entities other than entities owned or controlled by Declarant, the Owners of the Units may, but are not obligated to, establish a separate sub-association to own, maintain, and control certain of the Common Property shown on the Plat, to levy and collect dues and assessments from the Unit Owners to defray the costs of such ownership, maintenance and control, and to establish rules and regulations for the use of the Units and certain Common Property within Surfman's Walk, PROVIDED HOWEVER, that all of said Units, Owners, and Property shall remain subject to and bound by the Protective Covenants of the Bald Head Island Stage Two Association, Inc. (the "Master Association") as said Covenants may be amended from time-time, and specifically to the authority of said Master Association to levy and collect dues and assessments from all Owners as set forth in said Covenants. The subassociation authorized by this paragraph shall be established only upon the affirmative vote of two-thirds (2/3) of the Owners of the Units depicted on the Plat, one vote being allowed per Unit. If such a subassociation is established, it shall own, maintain, and control all of the Common Property shown on the Plat and described in this Amendment EXCEPT the following: the wood walkway around the Open Space area shown on the Plat which will connect with the private access easement (Surfman John Price Alley), and any benches and/or trellises attached to said walkway. Notwithstanding any other provisions contained herein, ownership and control of said walkway and any attached benches and/or trellises shall remain with the Declarant or the Master Association, and shall be kept and maintained in perpetuity as a general pedestrian access through the Open Space area shown on the Plat.
13. OPEN SPACE. There is shown on the Plat an Open Space area (indicated by the shaded portion of the Common Property), totalling 0.61 acre in size, which area shall be open and primarily undisturbed, and which shall be maintained to preserve its natural and undisturbed character. No above-ground improvements shall be constructed within said Open Space area except walkways and structures related thereto, such as benches, all of which are intended to accommodate casual, pedestrian use, and minor utility structures for pumps, wells, and similar purposes. The Association shall be responsible for maintenance of the Open Space, and shall cause it to be maintained in a good and sightly condition, as authorized by and in accordance with the requirements of the Protective Covenants.

14. DECLARANT RESERVATIONS. 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 Unit as a model home, sales office, or for any similar purpose related to the marketing and sale of the Units, 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 lots on Bald Head Island. There is hereby further reserved to the Declarant the right (but not the obligation) to develop the area which is designated on the Plat for Future Development with up to eleven (11) additional Units of Surfman's Walk Cottages, which Units would be subject to and benefitted by the terms and conditions of this Amendment and Annexation.

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)
Z.O. Hamilton
Attorney in Fact

STATE OF NORTH CAROLINA
COUNTY OF BRUNSWICK

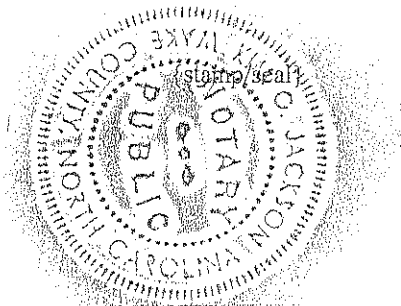
I, Kim G. Jackson, a Notary Public for said County and State, do hereby certify that Z.O. Hamilton, attorney in fact for Bald Head Island Limited, personally appeared before me this day, and being by me duly sworn, says that he executed the foregoing and annexed instrument for and in behalf of the said 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 1430 at Page 482, 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 Z.O. Hamilton 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 9th day of April, 2002.

My Commission expires: October 8, 2005

[Signature]
Notary Public



STATE OF NORTH CAROLINA
COUNTY OF BRUNSWICK

Brunswick County Register of Deeds
Robert J. Robinson
Inst #112762 Book 1581 Page 790
05/01/2002 08:52:23am Rec#

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ADDENDUM TO AMENDMENT AND ANNEXATION
TO PROTECTIVE COVENANTS
BALD HEAD ISLAND STAGE TWO
PHASE ONE, SURFMAN'S WALK
CAPE FEAR STATION - MULTI-FAMILY 3

THIS ADDENDUM TO AMENDMENT AND ANNEXATION TO PROTECTIVE COVENANTS, BALD HEAD ISLAND STAGE TWO, PHASE ONE, SURFMAN'S WALK, CAPE FEAR STATION, MULTI-FAMILY 3, is made as of the 24th day of APRIL, 2002, as follows:

+WHEREAS, Bald Head Island Limited, a Texas limited partnership, is the developer and the sole owner of that certain real property located in the Village of Bald Head Island and known as Phase One, Surfman's Walk, Cape Fear Station - Multi-Family 3, consisting of certain vacant land, as well as Units one (1) through ten (10) as shown on the Plat, and any improvements and appurtenances thereto, 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 1573 at Page 785, an Amendment and Annexation to Protective Covenants for Bald Head Island Stage Two, Phase One, Surfman's Walk, Cape Fear Station - Multi-Family 3, and has further caused to be recorded in said Registry in Map Cabinet 26, Instrument 89, a Plat of survey, which Plat sets out and describes the real property and Units subject to said Amendment and Annexation to Protective Covenants; and,

WHEREAS, because the anticipated construction of Units in Phase One of Surfman's Walk is subject to specific site conditions requiring flexibility as to the type and location of the building pads, living units, garages, crofters, and related improvements, Declarant has heretofore generally provided for such flexibility with regard to the building pads, and now wishes to specifically provide for such flexibility with regard to the construction of garages and garage/crofter combinations, while maintaining the integrity, beauty and value of all of the Units in Surfman's Walk;

NOW, THEREFORE, Bald Head Island Limited, Declarant and sole owner of the property and Units described above, hereby supplements and amends the Amendment and Annexation to Protective Covenants for Bald Head Island Stage Two, Phase One, Surfman's Walk, Cape Fear Station - Multi-Family 3, as follows:

There is hereby added to paragraph 1, "ADDITIONAL PROPERTIES," the following provision, to wit:

Notwithstanding the designation C (crofter) or G (garage) for the appurtenant improvements shown on the Plat, Declarant shall have the right (which right shall be exclusive to Declarant)

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REC# 38 CK AMT 51 CK# 1395

to cause to be constructed, as an appurtenant improvement to any Unit shown on the Plat, either a garage or a garage/crofter combination as Declarant deems appropriate in its sole and unlimited discretion; provided however, that any such garage or garage/crofter combination shall be constructed at the approximate location of the building pad depicted for it on the Plat, subject to such adjustment as may be reasonably necessary due to specific site conditions such as topography and vegetation.

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, Phase One, Surfman's Walk, Cape Fear Station - Multi-Family 3, remain in full force and effect and fully applicable to the 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 29th day of APRIL, 2002.

BALD HEAD ISLAND LIMITED (SEAL)
a Texas Limited Partnership

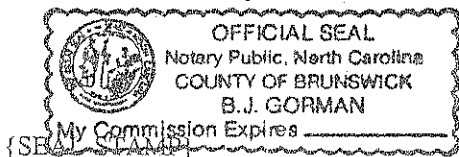
By: [Signature] (SEAL)
M. Kent Mitchell
Attorney in Fact

STATE OF NORTH CAROLINA
BRUNSWICK COUNTY

I, B. J. Gorman, 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 on 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 and on behalf of the said Bald Head Island Limited.

WITNESS my hand and official seal, this the 29th day of April, 2002.



[Signature]
Notary Public
My commission expires: 3/10/03

STATE OF NORTH CAROLINA
COUNTY OF BRUNSWICK

The Foregoing (or annexed) Certificate(s) of B J GORMAN

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

This Instrument was filed for Registration on this 1st Day of May

2002

Brunswick County--Register of Deeds
Robert J. Robinson
Inst #121979 Book 1610Page 132
07/25/2002 08:47:19am Rec# 114107

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AMENDMENT AND ANNEXATION TO PROTECTIVE COVENANTS
BALD HEAD ISLAND STAGE TWO
PHASE TWO, SURFMAN'S WALK
CAPE FEAR STATION - MULTI-FAMILY 3

This Amendment and Annexation to Protective Covenants, Bald Head Island Stage Two, ("Amendment") is made by Bald Head Island Limited this 17th day of JULY, 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 Units eleven [11] through twenty [20], with the appurtenant decks, patios, crofters (C) and/or garages (G), and "Common Area"), all as shown on that plat for Phase Two, Surfman's Walk, Cape Fear Station, Multi-Family 3, recorded in Map Cabinet 26, Instrument 362, Brunswick County Registry ("Plat"), as the same may be amended from time to time. As used herein, "Unit" shall mean any numbered building pad designated for construction of

a residence ("Living Unit"), the building pad for the garage or crofter/garage combination assigned thereto, the stairs, deck and/or patio attached thereto or associated therewith, together with the land surrounding said building pads to the drip-line of the eaves thereof, as numbered and shown on the Plat, subject to such adjustment of said building pads as may be reasonably necessary due to specific site conditions (e.g., topography and vegetation) to allow construction thereon. The property shown on the Plat which is not included in a Unit and which has not been designated as part of the plat recorded in Map Cabinet 26, Page 89 (Phase One of Surfman's Walk) is hereby declared to be Common Property of the Association (as defined in the Protective Covenants).

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 Unit shall be a member of the Association, and shall be required to pay dues and assessments as set out in the Protective Covenants, including Supplemental Dues where applicable. The Owner of each of the Units shall begin paying dues and assessments to the Association as of the date of acquisition of title, and for Units owned by Declarant or an entity owned or controlled by Declarant, as of the calendar year following the issuance of a certificate of occupancy for the Unit, if not previously conveyed to a third party. For all purposes of the Protective Covenants, including but not limited to the assessment and collection of dues, a Unit described hereunder shall be the equivalent of a Lot as set forth and defined therein.
3. SINGLE FAMILY UTILIZATION. Except for such other uses as have been or are hereinafter reserved to Declarant, all Units 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. The Plat sets out allowed building pads for the primary Living Unit and its garage or crofter/garage combination for each Unit. The actual location of said building pads is subject to such adjustment as may be reasonably necessary, due to specific site conditions, to allow construction thereon while having a minimal impact on the topography, vegetation, and other natural features of the area. There shall be no setbacks, other than those imposed by the Village of Bald Head Island or other governmental authority, except that all construction of every Living Unit and garage or crofter/garage combination must be within the designated building pad(s) as shown on the Plat or as reasonably adjusted, subject to the approval, rules, and regulations of the Committee, as more fully set out in Paragraph 4 of the Protective Covenants. This requirement to construct within the designated building pad, as shown on the Plat or as reasonably adjusted, shall specifically take precedence over any presumed setbacks as set out in Paragraph 8 of the Protective Covenants. Stairs, decks, and patios may be constructed outside the building pads, subject to approval by the

Committee. In any event, 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. Improvements other than the primary Living Unit and its garage or crofter/garage, if approved by the Committee, may be constructed within setbacks established by Declarant.

Notwithstanding the designation C (crofter) or G (garage) for the appurtenant improvements shown on the Plat, Declarant shall have the right (which right shall be exclusive to Declarant) to cause to be constructed, as an appurtenant improvement to any Unit shown on the Plat, either a garage or a garage/crofter combination as Declarant deems appropriate in its sole and unlimited discretion; provided however, that any such garage or garage/crofter combination shall be constructed at the approximate location of the building pad depicted for it on the Plat, subject to such adjustment as may be reasonably necessary due to specific site conditions such as topography and vegetation.

5. LIMITATION ON HEIGHT. No structure constructed on any Unit 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.
6. BUILDING AND SITE RESTRICTIONS. All Units 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 Units 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 Unit prior to the sale of said Unit to a third party, notwithstanding the sale of other Units which are subject to the Guidelines. For purposes of the Guidelines, the lot-type designation for the Units shown on the Plat shall be: "Surfman's Walk Cottage". In accordance with the Guidelines, the minimum square footage of heated, enclosed living space for each approved Living Unit shall be 1,250 square feet, and the maximum shall be 1,300 square feet.
 - (b) Each Unit Owner shall keep all buildings located within his Unit in a clean, neat and sightly condition, and shall provide for the regular removal of all trash or refuse from his Unit, and shall further, at his own expense, be responsible for maintaining in good repair and in a safe, clean, and sightly condition the Living Unit itself (including its garage and/or crofter), and the

stairs, deck, and/or patio attached to, associated with, or benefiting the Unit, even though the same may be located upon Common Property; PROVIDED, that the Association shall be responsible for the maintenance and upkeep of any pedestrian paths and fences constructed upon the Common Property, the wood walkway to be built by Declarant around the Open Space area shown on the Plat (which walkway will connect to the private access easement shown on the Plat as Surfman John Price Alley), any benches and/or trellises attached to said walkway, and the gazebo to be built by Declarant within the Open Space area.

- (c) No animals, livestock or poultry of any kind shall be kept or maintained on any Unit, 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, all of the property shown on the Plat, including the Units, appurtenances constructed thereon, and the area designated as part of the plat recorded in Map Cabinet 26, Page 89 (Phase One of Surfman's Walk), shall contain a maximum area of 0.74 acre covered by impervious surfaces (as defined by the Department of Environmental Management). 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 6(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 a different impervious surface amount on the property shown on the Plat, upon filing by Declarant or the Association of a notice of said change in permit, the impervious surface limitation as to said property 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 Unit or property 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, Surfman John Price Alley is a private easement which provides vehicular access to the combined crofter/garages for Units 11 and 13 (C11 and C13 on the Plat), as well as to certain properties in Phase One of

Surfman's Walk and in the adjacent Single Family 5 section of Cape Fear Station. Owners of said Units are hereby prohibited from establishing driveways or vehicular entrances of any kind along said easement except as are approved by the Committee. Said easement is hereby reserved for the benefit of the Association, its members, the Village of Bald Head Island, and all public and private utilities. The Declarant is required to hard-surface a minimum of ten (10') feet in width of said private easement with either asphalt or concrete. It is expressly understood and agreed that the Association shall be responsible for the maintenance and upkeep of said private easement in its entirety, including any walls or bulkheads therein, and shall cause it to be kept in good and passable condition at all times. The Association shall have no maintenance obligation as to any driveway or connection extending from said private easement, even if the same lies within the easement area.

- (f) As shown on the Plat, vehicular access to the garages or combined crofter/garages on Unit 12 and on Units 14 through 20 will connect to a public road right-of-way, Kinnakeet Way. It is the intention of Declarant that there shall be one driveway providing ingress to and egress from each Unit, that each shall be surfaced with gravel, and shall be constructed at the specific location approved by the Committee. Owners are hereby prohibited from establishing other driveways or vehicular entrances of any kind along Kinnakeet Way. Each Owner shall be responsible for the maintenance and upkeep of the driveway serving his Unit, even though the same may be located on Common Property or in the private vehicular access easement, and each Owner shall install address bollards or other approved property identification at his Unit as required by the Association and/or the Village of Bald Head Island. No improvements shall be constructed by the Owner of any Unit to the extent located between the public street or private access easement nearest the Living Unit and the entry to said Living Unit, 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 Units 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 and alleys, upon, under and across the following: the private vehicular access easement shown on the Plat, the front seven (7') feet of the property (including Unit(s), Common Property, and property included in Phase One of Surfman's Walk, Map Cabinet 26, Page 89) depicted on the Plat which is adjacent to the public road rights-of-way (Chicamacomico Way and Kinnakeet Way), and five (5') feet along and adjacent to the drip-lines of the eaves on the sides of each Unit. There is further reserved, for the benefit

of the Owners of the Units, the Declarant, the Association, and all public and private utilities, such easements upon, across, and under the Common Property and the area designated as part of the plat recorded in Map Cabinet 26, Page 89 (Phase One of Surfman's Walk) as may be necessary for the installation and maintenance of utilities to service each and every Unit shown on the Plat, as well as other lots or units in Cape Fear Station.

- (h) No overnight parking shall be allowed within the private vehicular access easement shown on the Plat, and the Association shall maintain at all times a vertical clearance of at least twelve (12') feet above said easement, in order to facilitate emergency vehicle access to and from adjacent Units.
 - (i) All property shown on the Plat subject to this Amendment 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 property hereby annexed, then in that event such vegetation shall be permitted as is described in said guidelines or standards and approved by the Committee.
- 7. 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.
 - 8. 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.
 - 9. WAIVER. The Village of Bald Head Island is specifically released and held harmless from any claim for damages to property within the Plat, whether such damage occurs to or within the private vehicular access easement shown on the Plat, to the extent that such damages are caused by vehicles or equipment utilizing said private easement 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 to the private easement. Emergency and municipal vehicles, including trash removal vehicles, are specifically authorized to utilize Surfman John Price Alley to provide municipal services.
 - 10. COMMON PROPERTY. All property shown on the Plat which is not included within a Unit (as herein defined), and which is not designated as part of the plat recorded in Map Cabinet 26, Page 89 (Phase One of Surfman's Walk), shall be considered

Common Property, to be owned, held, managed and maintained for the benefit of the members of the Association, and title to which shall be conveyed by Declarant to the Association on or before the sale of the last Unit to a person or entity other than an entity owned or controlled by Declarant. All such Common Property shall be available for the use and benefit of the members of the Association, subject to the provisions of these Protective Covenants and the reasonable rules and regulations adopted from time to time by the Board of Directors of the Association. To the extent that an Owner is responsible, under these Covenants, for the cost of maintaining an improvement attached to or associated with his Unit and located upon Common Property, the use and benefit of such improvement shall be limited to the Owner and his invitees. The Declarant shall, at its expense, construct upon the Common Property the following improvements for the use and benefit of the members of the Association, to wit: a gazebo, wood walkway with benches and trellis around the Open Space, wood fences, and pedestrian paths.

11. SUPPLEMENTAL DUES. Paragraph 6 of the Protective Covenants specifically authorizes the Association to assess Supplemental Dues to a common group of lots independently of dues 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, in its discretion, limit the use of the Common Property and the improvements to be located on the Common Property to the Owners of the Units depicted on the Plat. In that event, the Association would assess only said Unit Owners for the maintenance and upkeep expenses relating to said Common Property and the improvements located thereon, specifically including (but not limited to) the grounds, paths, fences, wooden walkways, benches, trellises and gazebo, should the Board of Directors of the Association, in its sole and unlimited discretion, deem it to be in the best interests of the Association to do so. In such event, the Association may but is not obligated to include reserves for replacement and maintenance of the Common Property improvements, which reserves shall be dedicated for the utilization of the repair and maintenance of said improvements as shown on the Plat or any amendment thereto.
12. OPTIONAL SUBASSOCIATION. At any time after all Units depicted on the Plat have been sold by Declarant to persons or entities other than entities owned or controlled by Declarant, the Owners of the Units may, but are not obligated to, join with the Owners of the Units in Phase One of Surfman's Walk to establish a separate sub-association to own, maintain, and control certain of the Common Property shown on the Plat and on the plat recorded in Map Cabinet 26, Page 89, to levy and collect dues and assessments from the Unit Owners to defray the costs of such ownership, maintenance and control, and to establish rules and regulations for the use of the Units and certain Common Property within Phases One and Two of Surfman's Walk, PROVIDED HOWEVER, that all of said Units, Owners, and Property shall remain subject to and bound by the Protective Covenants of the Bald Head Island Stage Two

Association, Inc. (the "Master Association") as said Covenants may be amended from time-to-time, and specifically to the authority of said Master Association to levy and collect dues and assessments from all Owners as set forth in said Covenants. The subassociation authorized by this paragraph shall be established or joined only upon the affirmative vote of two-thirds (2/3) of the Owners of the Units depicted on the Plat, one vote being allowed per Unit. If such a subassociation is established, it shall own, maintain, and control all of the Common Property shown on the Plat and described in this Amendment EXCEPT the following: the wood walkway around the Open Space area shown on the Plat which will connect with the private access easement (Surfinan John Price Alley), and any benches and/or trellises attached to said walkway. Notwithstanding any other provisions contained herein, ownership and control of said walkway and any attached benches and/or trellises shall remain with the Declarant or the Master Association, and shall be kept and maintained in perpetuity as a general pedestrian access through the Open Space area shown on the Plat.

13. OPEN SPACE. There is shown on the Plat an Open Space area (indicated by the shaded portion of the Common Property), totalling 0.61 acre in size, which area shall be open and primarily undisturbed, and which shall be maintained to preserve its natural and undisturbed character. No above-ground improvements shall be constructed within said Open Space area except walkways and structures related thereto, such as benches, all of which are intended to accommodate casual, pedestrian use, and minor utility structures for pumps, wells, and similar purposes. The Association shall be responsible for maintenance of the Open Space, and shall cause it to be maintained in a good and sightly condition, as authorized by and in accordance with the requirements of the Protective Covenants.
14. DECLARANT RESERVATIONS. 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 Unit as a model home, sales office, or for any similar purpose related to the marketing and sale of the Units, 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 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
a Texas Limited Partnership

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

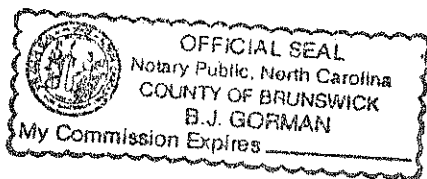
STATE OF NORTH CAROLINA
COUNTY OF BRUNSWICK

I, B. J. Gorman, 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 17th day of July, 2002.

{stamp/seal}



B. J. Gorman
Notary Public
My Commission expires: 3/10/03

STATE OF NORTH CAROLINA
COUNTY OF BRUNSWICK

The Foregoing (or annexed) Certificate(s) of B J GORMAN

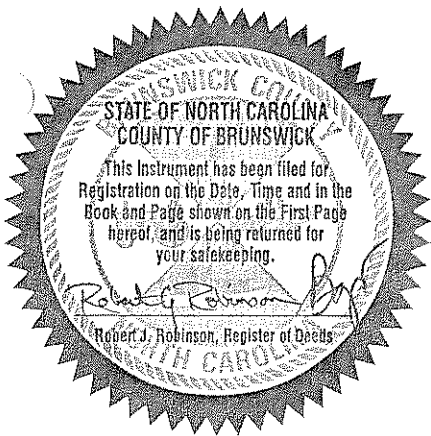
Notary(ies) Public is (are) Certified to be Correct.

This Instrument was filed for Registration on this 25th Day of July, 2002
the Book and page shown on the First Page hereof.

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



B2846 P0225 10-07-2008 08:51:06.003
Robert J. Robinson
Brunswick County, NC Register of Deeds page 1 of 2



Presenter Judy Ward Ret: IS
Total 17 Rev Int. Per
Ck \$ 117.⁰⁰ Ck # 2112 Cash \$
Refund: Cash \$ Finance
☐ Portions of document are illegible due to condition of original.
☐ Document contains seals verified by original or copied.

SECOND ADDENDUM TO AMENDMENT AND ANNEXATION
TO PROTECTIVE COVENANTS
BALD HEAD ISLAND STAGE TWO
PHASES ONE AND TWO, SURFMAN'S WALK
CAPE FEAR STATION - MULTI-FAMILY 3

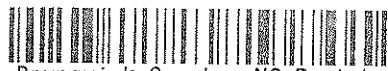
THIS SECOND ADDENDUM TO AMENDMENT AND ANNEXATION TO PROTECTIVE COVENANTS, BALD HEAD ISLAND STAGE TWO, PHASES ONE AND TWO, SURFMAN'S WALK, CAPE FEAR STATION - MULTI-FAMILY 3, is made as of the 8th day of September, 2008, as follows:

WHEREAS, Bald Head Island Limited, LLC, a Texas limited liability company, as successor to Bald Head Island Limited, a Texas limited partnership, is the owner and developer of that certain real property on Bald Head Island known as Phases One and Two, Surfman's Walk, Cape Fear Station - Multi-Family 3, located in the Village of Bald Head Island, Brunswick County, North Carolina; and;

WHEREAS, Bald Head Island Limited, as Declarant, heretofore caused to be recorded in the records of the Brunswick County Registry in Book 1573, Page 785; Book 1581, Page 790; and Book 1610, Page 132, certain Amendments and Annexations to Protective Covenants for Bald Head Island Stage Two, Phases One and Two, Surfman's Walk, Cape Fear Station - Multi-Family 3, and a certain Addendum thereto; and,

WHEREAS, Bald Head Island Limited, LLC, successor Declarant and developer of the property within Bald Head Island Stage Two, including the property comprising Phases One and Two, Surfman's Walk, Cape Fear Station - Multi-Family 3, as shown on those certain plats of survey recorded in the aforesaid Registry in Map Book 26, Pages 89 and 362, has, in accordance with the provisions of Title 15 NCAC 2H.1000 *et seq.*, recorded within the above-referenced Amendments and Annexations to Protective Covenants the impervious coverage limitation for the property depicted on said recorded Plats, along with a reservation of the right to revise such impervious coverage limitation upon any revision of the stormwater management permit issued by the State of North Carolina for the aforesaid property; and,

WHEREAS, Article 14 of the Protective Covenants for Bald Head Island Stage Two, recorded in the Brunswick County Registry in Book 1045 at Page 676, further reserves to Declarant the right to amend the said Protective Covenants for the purpose of "adding or deleting any



incidental provisions deemed in the sole discretion of Declarant to be in the best interest of Declarant" without the consent, joinder or approval of any other owner;

NOW, THEREFORE, Declarant, Bald Head Island Limited, LLC, hereby declares that in accordance with Title 15 NCAC 2H.1000, *et seq.*, subparagraph (d) of paragraph 6 of the Amendment and Annexation to Protective Covenants, Bald Head Island Stage Two, Phase Two, Surfman's Walk, Cape Fear Station – Multi-Family 3, recorded in the Brunswick County Registry in Book 1610, Page 132, is hereby amended to change the allowable maximum area covered by impervious surfaces, for the property depicted on the above-referenced plats as Surfman's Walk Phases One and Two, from 0.74 acre to 0.81 acre. Except as herein set forth, the aforesaid Amendments and Annexations to Protective Covenants, as previously amended, shall remain unchanged, and in full force and effect.

This Addendum is made as a result of the modification of the stormwater management permit issued for Cape Fear Station, including the subject property, on August 4, 2008, and is intended to insure continued compliance with stormwater runoff rules adopted by the State of North Carolina, and may be enforced by the State of North Carolina. The covenants contained herein shall run with the land and shall be binding on all parties and all persons claiming under them.

This Second Addendum is executed on behalf of Declarant, as of the day and year first above written, by its duly authorized Manager.

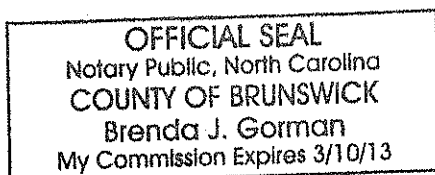
BALD HEAD ISLAND LIMITED, LLC,
a Texas limited liability company

By: [Signature] (SEAL)
M. Kent Mitchell, Manager

STATE OF NORTH CAROLINA
BRUNSWICK COUNTY

I, Brenda J. Gorman, a Notary Public for said County and State, do hereby certify that M. Kent Mitchell, Manager for Bald Head Island Limited, LLC, personally appeared before me this day, and being by me duly sworn, says that he executed the foregoing instrument for and on behalf of the said Bald Head Island Limited, LLC.

WITNESS my hand and official seal, this the 8th day of September, 2008.



[Signature]
Notary Public
My commission expires: 3/10/13



Presenter Judy Ward Ret: IS
 Total 20 Rev 16 Int. 16
 Ck \$ 37.00 Ck # 2138 Cash \$
 Refund: Cash \$ Finance
☐ Portions of document are illegible due to condition of original.
☐ Document contains seals verified by original instrument that cannot be reproduced or copied.

THIRD ADDENDUM TO AMENDMENT AND ANNEXATION
TO PROTECTIVE COVENANTS
BALD HEAD ISLAND STAGE TWO
PHASES ONE AND TWO, SURFMAN'S WALK
CAPE FEAR STATION - MULTI-FAMILY 3
(CORRECTIVE DECLARATION)

THIS THIRD ADDENDUM TO AMENDMENT AND ANNEXATION TO PROTECTIVE COVENANTS, BALD HEAD ISLAND STAGE TWO, PHASES ONE AND TWO, SURFMAN'S WALK, CAPE FEAR STATION - MULTI-FAMILY 3 (CORRECTIVE DECLARATION), is made as of the 2nd day of September, 2009, as follows:

WITNESSETH:

WHEREAS, Bald Head Island Limited, LLC, a Texas limited liability company, as successor to Bald Head Island Limited, a Texas limited partnership, is the owner and developer of that certain real property on Bald Head Island known as Phases One and Two, Surfman's Walk, Cape Fear Station - Multi-Family 3, located in the Village of Bald Head Island, Brunswick County, North Carolina; and;

WHEREAS, Bald Head Island Limited and Bald Head Island Limited, LLC, as Declarant, heretofore caused to be recorded in the records of the Brunswick County Registry in Book 1573, Page 785; Book 1581, Page 790; Book 1610, Page 132; and Book 2846, Page 225, certain Amendments and Annexations to Protective Covenants for Bald Head Island Stage Two, Phases One and Two, Surfman's Walk, Cape Fear Station - Multi-Family 3, together with two Addenda thereto; and,

WHEREAS, Bald Head Island Limited, LLC, successor Declarant and developer of the property within Bald Head Island Stage Two, including the property comprising Phases One and Two, Surfman's Walk, Cape Fear Station - Multi-Family 3, as shown on those certain plats of survey recorded in the aforesaid Registry in Map Book 26, Pages 89 and 362, has recorded within the above-referenced Amendments and Annexations to Protective Covenants and their Addenda a certain provision which ostensibly reserves to Declarant the exclusive right to construct appurtenant improvements on the subject property, but does not fully and accurately express Declarant's intention in this regard; and,

WHEREAS, Article 14 of the Protective Covenants for Bald Head Island Stage Two, recorded in the Brunswick County Registry in Book 1045 at Page 676, reserves to Declarant the right to amend the said Protective Covenants for the purpose of "correcting any discovered error contained [t]herein, [or] clarifying any ambiguity contained [t]herein" without the consent, joinder or approval of any other owner;

NOW, THEREFORE, Declarant, Bald Head Island Limited, LLC, hereby declares that in accordance with Article 14 of the Protective Covenants for Bald Head Island Stage Two, the following provision, contained in the Addendum To Amendment and Annexation to Protective Covenants for Bald Head Island Stage Two, Phase One, Surfman's Walk, Cape Fear Station - Multi-Family 3, recorded in Book 1581, Page 790 of the Brunswick County Register of Deeds, and in paragraph 4 of the Amendment and Annexation to Protective Covenants for Bald Head Island Stage Two, Phase Two, Surfman's Walk, Cape Fear Station - Multi Family 3, recorded in Book 1610, Page 132, to wit:

Notwithstanding the designation C (crofter) or G (garage) for the appurtenant improvements shown on the Plat, Declarant shall have the right (which right shall be exclusive to Declarant) to cause to be constructed, as an appurtenant improvement to any Unit shown on the Plat, either a garage or a garage/crofter combination as Declarant deems appropriate in its sole and unlimited discretion; provided however, that any such garage or garage/crofter combination shall be constructed at the approximate location of the building pad depicted for it on the Plat, subject to such adjustment as may be reasonably necessary due to specific site conditions such as topography and vegetation. (Emphasis added.)

is hereby amended to clarify that Declarant's exclusive right "to cause to be constructed" includes the exclusive right to approve and allow, in Declarant's sole and unlimited discretion, the construction of appurtenant improvements (crofter, garage, or combination) by Unit owners other than Declarant, and does not and is not intended to refer or apply solely to the construction of such appurtenant improvements by Declarant in connection with Declarant-owned Units.

This Addendum and Corrective Declaration is made to clarify an ambiguity arising out of the language emphasized in the provision quoted above. Except as herein set forth, the aforesaid Amendments and Annexations to Protective Covenants and their Addenda (including, but not limited to, the provision quoted) shall remain unchanged, and in full force and effect. The covenants contained herein and in said Amendments, Annexations and Addenda shall run with the land and shall be binding on all parties and all persons claiming under them.

[SIGNATURE AND NOTARY FOLLOW ON NEXT PAGE]



This Third Addendum is executed on behalf of Declarant, as of the day and year first above written, by its duly authorized Manager.

BALD HEAD ISLAND LIMITED, LLC,
a Texas limited liability company

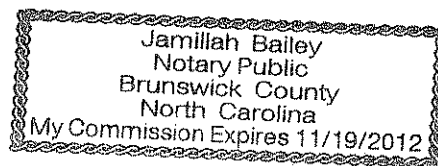
By: [Signature] (SEAL)
M. Kent Mitchell, Manager

STATE OF NORTH CAROLINA
BRUNSWICK COUNTY

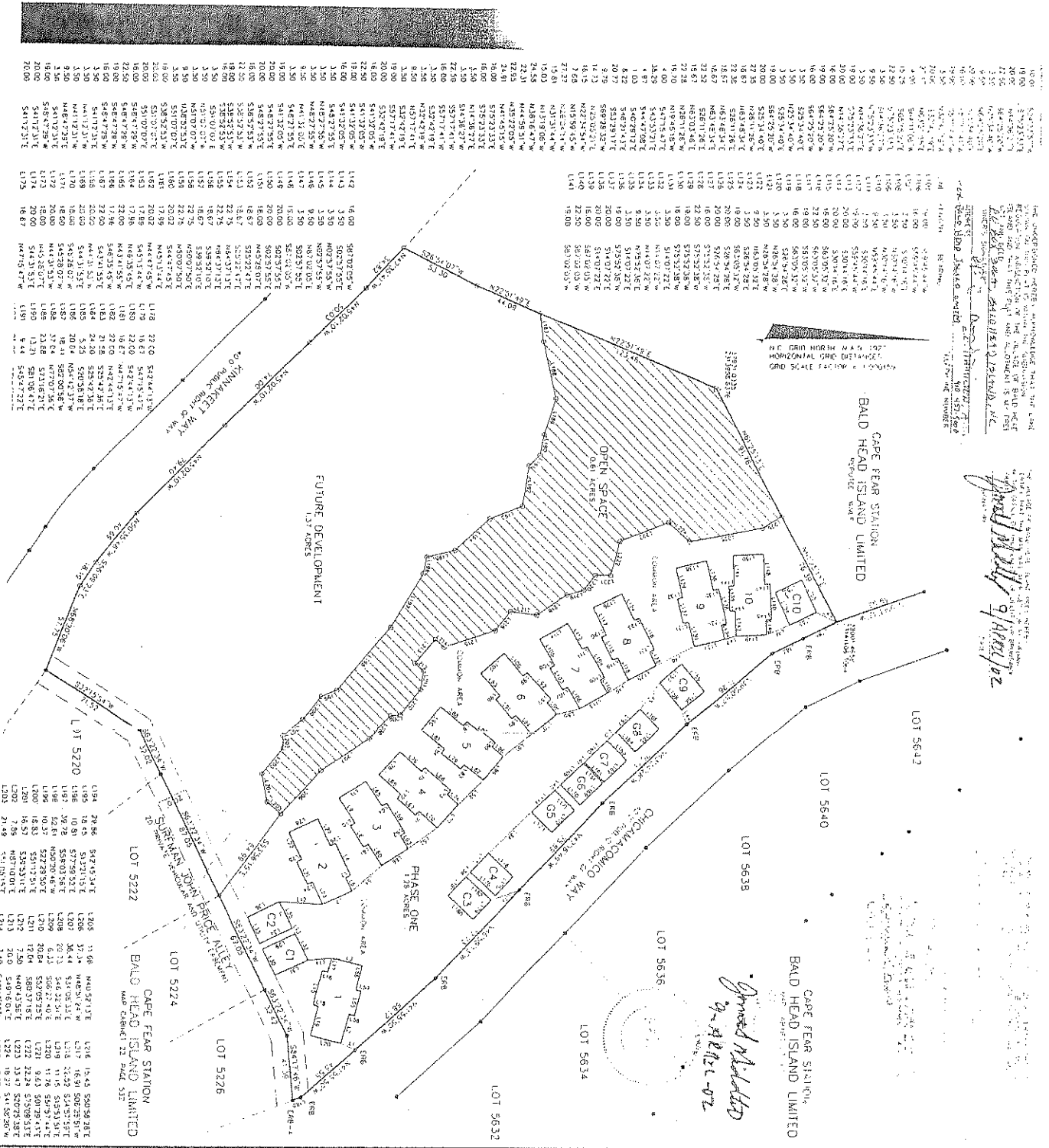
I, Jamillah Bailey, a Notary Public for said County and State, do hereby certify that M. Kent Mitchell, Manager for Bald Head Island Limited, LLC, personally appeared before me this day, and being by me duly sworn, says that he executed the foregoing instrument for and on behalf of the said Bald Head Island Limited, LLC.

WITNESS my hand and official seal, this the 2nd day of September, 2009.

Jamillah Bailey
Notary Public
My commission expires: 11/19/2012



SURFMAN'S WALK



RECORDED 04/16/12
MC 24, Phase 89

BRUNSWICK SURVEYING, INC.
THOMAS W. BRUNSWICK
1001 S. BRUNSWICK BLVD., SUITE 100
FARMINGTON, CT 06030
(860) 642-8332

SURFMAN'S WALK
CAPE FEAR STATION
MULTI-FAMILY 3
BALD HEAD ISLAND
BALD HEAD ISLAND LIMITED

BRUNSWICK SURVEYING, INC.
THOMAS W. BRUNSWICK
1001 S. BRUNSWICK BLVD., SUITE 100
FARMINGTON, CT 06030
(860) 642-8332

SURFMAN'S WALK

BRUNSWICK SURVEYING, INC.

THOMAS W. BRUNSWICK

1001 S. BRUNSWICK BLVD., SUITE 100

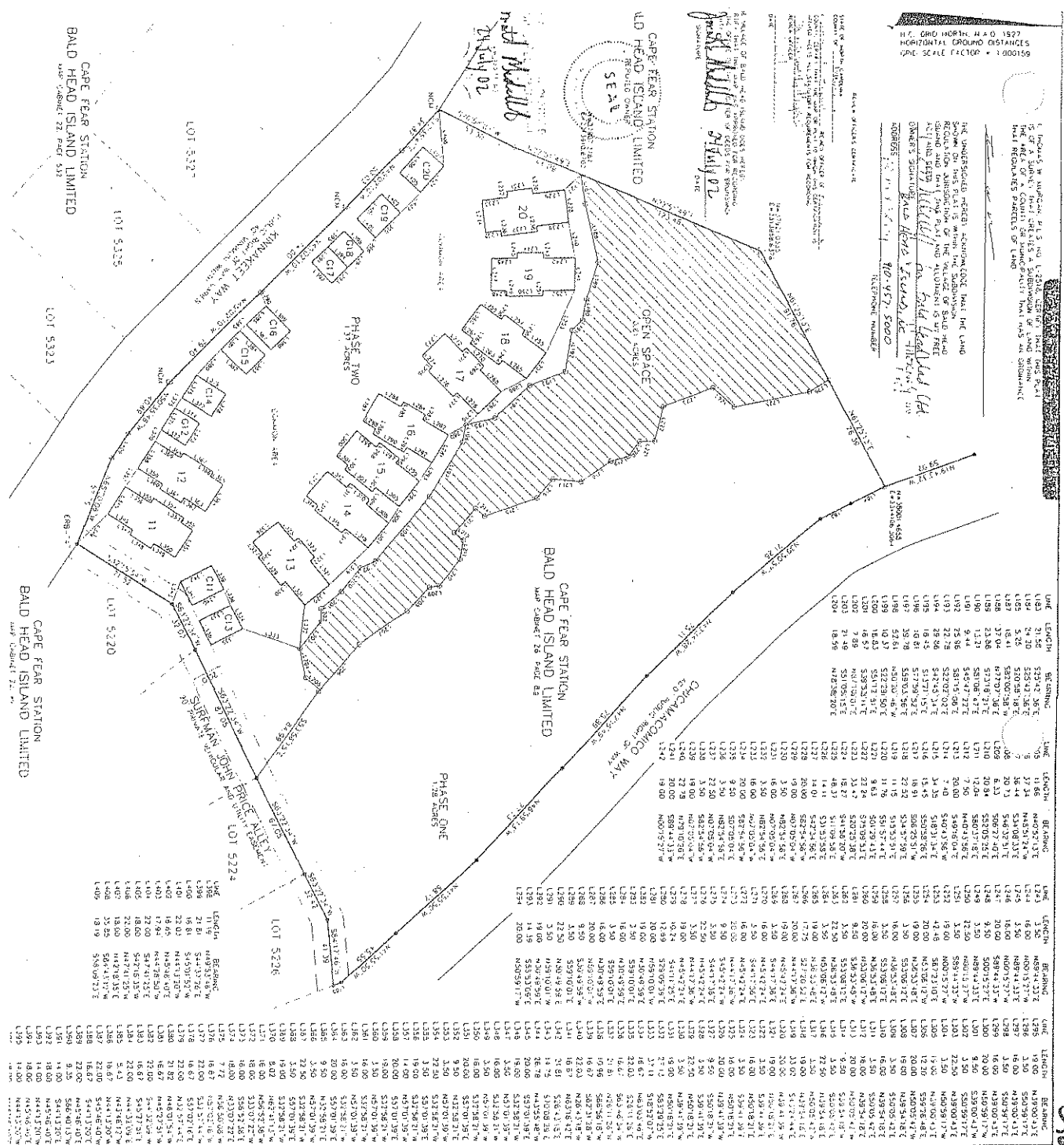
FARMINGTON, CT 06030

(860) 642-8332

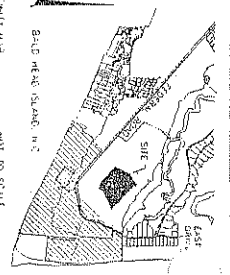
THE UNDERSIGNED HEREBY CERTIFICATE THAT THE LAND SHOWN ON THIS PLAN IS WITHIN THE SUBDIVISION REGULATION JURISDICTION OF THE TOWN OF SALEM AND THAT SAID PLAN AND ALLOTMENT IS NOT FREE FROM THE SAID TAXES.

OWNER'S SIGNATURE: Salem Home & Investment Inc.
 ADDRESS: 910-957, 5000

RECEIVED OF BULL. NO. 46, 1840, 1841, 1842, 1843, 1844, 1845, 1846, 1847, 1848, 1849, 1850, 1851, 1852, 1853, 1854, 1855, 1856, 1857, 1858, 1859, 1860, 1861, 1862, 1863, 1864, 1865, 1866, 1867, 1868, 1869, 1870, 1871, 1872, 1873, 1874, 1875, 1876, 1877, 1878, 1879, 1880, 1881, 1882, 1883, 1884, 1885, 1886, 1887, 1888, 1889, 1890, 1891, 1892, 1893, 1894, 1895, 1896, 1897, 1898, 1899, 1900, 1901, 1902, 1903, 1904, 1905, 1906, 1907, 1908, 1909, 1910, 1911, 1912, 1913, 1914, 1915, 1916, 1917, 1918, 1919, 1920, 1921, 1922, 1923, 1924, 1925, 1926, 1927, 1928, 1929, 1930, 1931, 1932, 1933, 1934, 1935, 1936, 1937, 1938, 1939, 1940, 1941, 1942, 1943, 1944, 1945, 1946, 1947, 1948, 1949, 1950, 1951, 1952, 1953, 1954, 1955, 1956, 1957, 1958, 1959, 1960, 1961, 1962, 1963, 1964, 1965, 1966, 1967, 1968, 1969, 1970, 1971, 1972, 1973, 1974, 1975, 1976, 1977, 1978, 1979, 1980, 1981, 1982, 1983, 1984, 1985, 1986, 1987, 1988, 1989, 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519,

[illegible]

SURFMAN'S WALK
Phase II



1. Investment in the business (1997-2000) = 100%
2. Investment in the business (2001-2004) = 100%
3. Investment in the business (2005-2008) = 100%
4. Investment in the business (2009-2012) = 100%
5. Investment in the business (2013-2016) = 100%
6. Investment in the business (2017-2020) = 100%
7. Investment in the business (2021-2024) = 100%
8. Investment in the business (2025-2028) = 100%
9. Investment in the business (2029-2032) = 100%
10. Investment in the business (2033-2036) = 100%
11. Investment in the business (2037-2040) = 100%
12. Investment in the business (2041-2044) = 100%
13. Investment in the business (2045-2048) = 100%
14. Investment in the business (2049-2052) = 100%
15. Investment in the business (2053-2056) = 100%
16. Investment in the business (2057-2060) = 100%
17. Investment in the business (2061-2064) = 100%
18. Investment in the business (2065-2068) = 100%
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20. Investment in the business (2073-2076) = 100%
21. Investment in the business (2077-2080) = 100%
22. Investment in the business (2081-2084) = 100%
23. Investment in the business (2085-2088) = 100%
24. Investment in the business (2089-2092) = 100%
25. Investment in the business (2093-2096) = 100%
26. Investment in the business (2097-2100) = 100%
27. Investment in the business (2101-2104) = 100%
28. Investment in the business (2105-2108) = 100%
29. Investment in the business (2109-2112) = 100%
30. Investment in the business (2113-2116) = 100%
31. Investment in the business (2117-2120) = 100%
32. Investment in the business (2121-2124) = 100%
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40. Investment in the business (2153-2156) = 100%
41. Investment in the business (2157-2160) = 100%
42. Investment in the business (2161-2164) = 100%
43. Investment in the business (2165-2168) = 100%
44. Investment in the business (2169-2172) = 100%
45. Investment in the business (2173-2176) = 100%
46. Investment in the business (2177-2180) = 100%
47. Investment in the business (2181-2184) = 100%
48. Investment in the business (2185-2188) = 100%
49. Investment in the business (2189-2192) = 100%
50. Investment in the business (2193-2196) = 100%
51. Investment in the business (2197-2200) = 100%
52. Investment in the business (2201-2204) = 100%
53. Investment in the business (2205-2208) = 100%
54. Investment in the business (2209-2212) = 100%
55. Investment in the business (2213-2216) = 100%
56. Investment in the business (2217-2220) = 100%
57. Investment in the business (2221-2224) = 100%
58. Investment in the business (2225-2228) = 100%
59. Investment in the business (2229-2232) = 100%
60. Investment in the business (2233-2236) = 100%
61. Investment in the business (2237-2240) = 100%
62. Investment in the business (2241-2244) = 100%
63. Investment in the business (2245-2248) = 100%
64. Investment in the business (2249-2252) = 100%
65. Investment in the business (2253-2256) = 100%
66. Investment in the business (2257-2260) = 100%
67. Investment in the business (2261-2264) = 100%
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117. Investment in the business (2461-2464) = 100%
118. Investment in the business (2465-2468) = 100%
119. Investment in the business (2469-2472) = 100%
120. Investment in the business (2473-2476) = 100%
12

[illegible][illegible]

Donor: Rose and Stanley Smith
 Plot at Sawyer lot Phase Two
 SURFMAN'S WALK
 CAPE FEAR STATION
 MULTI FAMILY 3

BALD HEAD ISLAND
HAGE FRIEDLAND INC 26 PAGE 89 AND
EXISTING FRIEDLAND EXCHANGE
BRUNSWICK
SURVEYING, INC
Thomas W. May Jr
Pittsburgh, PA 15201
MC 24
PSC 07/25

North Carolina and South Carolina
1027 Serequis Avenue Rd., 5th
Support, North Carolina 28402
131075-2-192

5.0×10^6 $1^{\circ} \pm 40'$ 1.0×10^6	1.0×10^6 1.0×10^6 1.0×10^6
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SURFMAN'S WALK
DANCE TR

10 units