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September 8, 2022

Ms. Shonta Dunston, Chief Clerk  
North Carolina Utilities Commission  
Mail Service Center 4325  
Raleigh NC 27699 -4300

RE: Docket No. A-41, Sub 21 - Complaint by Village of Bald Head

Dear Ms. Dunston:

In accordance with the Commission's procedural order in this docket we submit herewith for filing the direct testimony of Alan Briggs and accompanying exhibits on behalf of Intervenor, Bald Head Association.

Thank you for your attention to this matter.

Sincerely,

/s/ Edward S. Finley, Jr.

Edward S. Finley, Jr.  
Counsel for Bald Head  
Association

cc. Parties of Record

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

Docket No. A-41, Sub 21

VILLAGE OF BALD HEAD ISLAND	)	
Complainant	)	
	)	
v.	)	DIRECT TESTIMONY OF
	)	ALAN BRIGGS
	)	ON BEHALF OF
BALD HEAD ISLAND TRANSPORTATION,	)	BALD HEAD
INC., BALD HEAD ISLAND LIMITED, LLC,	)	ASSOCIATION
Respondents	)	

**BEFORE THE NORTH CAROLINA UTILITIES COMMISSION**

**DOCKET NO. A-41, SUB 21**

**Direct testimony of Alan Briggs**

**On Behalf of Bald Head Association**

**September 8, 2022**

Q. Please state your name and address.

A. My name is Alan Briggs. I reside at 6 Dunedin Ct., Bald Head Island, NC. 28461.

Q. In what capacity do you appear here today.

A. I am the President of Bald Head Association.

Q. Would you briefly summarize your educational experience.

A. I graduated from Miami University, Oxford, Ohio with a BA in 1964. I graduated from the Ohio State College of Law in 1967 with a Juris Doctorate. I graduated from George Washington University School of Law in 1998 with an LLM in Patent and Intellectual Property Law.

Q. Would you briefly describe you work experience.

A. From 1967-1970 I was in the United States Navy and served as a JAGC Corp. law officer. From 1970-2014 I was in the private practice of law. I was a trial lawyer and tried cases to judges, juries and administrative agencies in a wide variety of substantive areas and in about thirty-three states. I am a member of the Bar in Ohio, California, Florida, DC, Virginia, Maryland and North Carolina. I retired from the active practice of law in 2014 and am inactive in all the state bars except I have remained an active member of the Bar in DC.

Q. When and how did you first become involved with Bald Head Island?

A. In 2001 my wife and I purchased a lot on Bald Head Island. We hired an architect and designed a home and then hired a contractor and built our home at 6 Dunedin Ct., Bald Head Island.

Q. Generally describe your involvement with Bald Head Island thereafter.

A. My wife and our family lived in McLean, Va. My law office was in DC. Our home on Bald Head Island was, at that time for us, a second home. We rented it out in the summer, and we would visit when we could in other seasons. A few years before I retired in 2014, we stopped renting it and started spending significantly more time there.

In late 2014 my wife passed away. I sold our home in McLean, bought another home in Carrboro, NC and have been dividing my time since between Carrboro and Bald Head Island.

Q. When did you first become involved with Bald Head Association (BHA) and generally describe your involvement thereafter?

A. I had been a member of Bald Head Association Stage II from 2001 onward. In January of 2016 I was elected to the Board of Directors of Stage II and elected President. I served as President of Stage II from January of 2016 until January of 2018. At that time Stage II merged into BHA, and I was elected to the Board of BHA. In January of 2021 I was elected President and was re-elected President in 2022.

Q. What is the purpose of your testimony?

A. Rates and services for the essential ferry, tram, barge and parking amenities for Bald Head Island likely will be affected by the decision reached by the Commission in this docket. The BHA Board and its constituents have and continue to follow the developments in this docket with great interest. The purpose of my testimony is to apprise the Commission of this interest and to reserve the right at the appropriate time to convey any conclusions the Board would ask the Commission to reach.

Q. Can you generally describe Bald Head Association and its functions and responsibilities?

A. Bald Head Association is a non-profit corporation incorporated under the laws of North Carolina in 1982.

Its membership includes 1891 property owners on Bald Head Island. With the exception of approximately 100 properties in Middle Island, all property owners on Bald Head Island are Members of the Bald Head Association.

Q. As related to the issues in this docket what is the responsibility of BHA?

A. The Articles of Incorporation of BHA provide among other responsibilities it shall “promote the health, safety and welfare” of the residents” of Bald Head Island. In addition the covenants of Bald Head Association specifically direct BHA:

*{b) to communicate the actions, decisions and activities of the Association and Bald Head Island events (deemed by the Board to be of general interest) to its Members;*

[AMENDED AND RESTATED UNIFIED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR BALD HEAD ASSOCIATION, Article 2.1 (b).

[Briggs Exhibits 1 and 2 attached hereto]

Q. In order to carry out these two duties as related to the issues in dispute in this docket could you tell the Commission what actions the Association has taken to date?

- A. After the petition by the Village was filed the Board concluded this dispute was of “general interest” to our members, and the Board immediately undertook the responsibility to communicate to our Members the actions taking place in connection with this matter. We did this by e-mailing to them all of the pleadings and other public documents that were filed with the Commission. We have a list of the e-mail addresses for all of our Members who have agreed to receive e-mail communications from us and have provided them our address. As each new pleading or other document was filed in this matter we would email to all Members on our list (over 1500) a general description of the document and a link to the document.
- Q. When and how did you first become aware of a business entity named SharpVue, Ltd.?
- A. We learned in May of 2022 that SharpVue had entered into an Asset Purchase Agreement with Bald Head Island, Ltd. (Limited) to purchase all or substantially all the remaining assets of Limited relating to Bald Head Island including the ferries, the ferry terminals, the trams, the parking lot and the barge.
- Q. What, if anything, did you do at that time to communicate to your Members this new information?
- A. On our Compass e-mail procedure we notified all regarding this new event. In addition we scheduled an Information Meeting for our Members and invited Charles Paul, the CEO of Limited, Lee Roberts, the CEO of SharpVue, Peter Quinn, the Mayor of Bald Head Island and Susan Rabon, the Chair of the Bald Head Island Transportation Authority to come to this meeting.
- Q. And did this Informational Meeting go forward as planned?

- A. Yes it did. It was held as scheduled on July 27, 2022 at the Bald Head Association in person and by Zoom for all our Members. Messrs. Paul and Roberts, the Honorable Peter Quinn and the Honorable Susan Rabon each were present and gave full and complete presentations and answered any and all questions for our members.
- Q. At that time did Mr. Roberts explain how the transition from Limited to SharpVue would take place?
- A. Yes he did. He explained how SharpVue had agreed to hire the existing management and staff employees of Limited and indicated that the plan was the ferry operation would continue on pretty much as usual. He indicated he contemplated no price change in any of the services for the first year (absent some action by the NCUC that in this docket that would impact this issue) and after the first year pricing increases for the parking and barge would be generally consistent with inflation.
- Q. At that time was Mr. Lee Roberts asked if SharpVue was prepared to make the approximately \$523,000 yearly contribution from the parking lot income to the asset base for the ferry and tram for pricing for tickets?
- A. Yes, and he said SharpVue was prepared to do that (again absent some action by the NCUC that in this docket that would impact this issue).
- Q. Do you know how many of your members saw the July 27 Informational Session?
- A. Over four hundred of our Members saw this session either because they were present or because they viewed the posting of the video recording of this session on our Website.

Q. Do you use your Website as another way to communicate information to your Members?

A. Yes we do. And specifically in connection with this litigation and other matters relating to the Ferry Transportation System we have a separate listing on the website and provide links to all the relevant filings with the NCUC and elsewhere to make it easy for our Members to access the information.

Q. Did there come a time when the BHA decided to intervene in this lawsuit?

A. Yes. On July 13, 2022 BHA moved to intervene in this lawsuit.

Q. Why did you move to intervene?

A. The Association, on behalf of its constituents, wants to be sure that the facts and law that the litigants in this docket present to the Commission fairly and accurately state the relevant facts and applicable law so that the Commission will be in the best position to apply the law of North Carolina to the relevant facts so it can make the best decision.

Q. At the time you intervened had BHA made a decision as to what, if any, position the BHA would take in this litigation.

A. No. At the time we intervened we stated in our Motion to Intervene: *While the Association at this point is not in a position to make a recommendation to the Commission on the ultimate issues in this docket, the Association requests permission to participate in order to stay abreast of the docket as an official participant as the docket proceeds, to participate as necessary, to formalize its position on the ultimate issues and to make its position known to the Commission upon apprising itself of the facts as developed over time.*

Q. Did there come a time when you tried to obtain the opinions of your Members regarding the issues in this lawsuit?

A. Yes. On August 17, 2022 we e-mailed a Compass to the e-mail list and told them we wanted their views and provided a three-question survey:

Ferry System: Parking and Barge

1. Are you a Bald Head Island property owner?

\_\_\_ Yes

\_\_\_ No

2. Do you want the North Carolina Utilities Commission (NCUC) to regulate the fares for the parking lot and the barge?

\_\_\_ Yes

\_\_\_ No

\_\_\_ I don't have an opinion at this time

\_\_\_ I don't have enough information at this time to form an opinion

3. Please provide any additional thoughts, questions, suggestions or ideas you have about this lawsuit by the Village that you think might be helpful to us in representing BHA in this case:

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(Briggs Exhibit 3 attached hereto)

The Survey results were managed by the computer software program Survey Monkey, which we have used for over ten years. On August 23, 2022 the results of the survey were received and are attached hereto as Briggs Exhibit 4.

Again the purpose of this survey was to help the Board understand the views of its members so that it would be able to ultimately make a recommendation to the Commission after all the facts were developed in discovery and presented to the Commission and to the public.

Q. What insight did the board seek to gain by conducting the survey and what conclusions do you wish the Commission to draw from the results of the survey?

A. The Board conducted the survey in an effort to assess the interests of its constituents and to determine at least preliminarily the prevailing views of the constituents responding to the survey. We convey the responses to the survey to demonstrate to the Commission how significantly the constituents view the determination the Commission must make in this docket and, based on the information before the Commission at the filing of this testimony, the views of the constituents that responded.

Q. By the point in time of the filing of this “proposed direct examination testimony on September 8, 2022 does BHA have sufficient information to be able to make a recommendation to the Commission?

A. No not yet.

To be sure our Members have spoken to us in the survey and seventy percent (70%) of our Members want the NCUC to exercise jurisdiction over the parking lot and the barge. We represent our Members and are here to support our Members.

However all the evidence is not yet in. The proposed evidence of the Village has been filed but the remainder of the proposed testimony was not filed until September 8, 2022 so we have not yet been able to review the new evidence. In addition depositions and document discovery are ongoing and rebuttal positions may be filed.

We will forward to our Members all the new information that is filed on September 8, 2022 and thereafter. We will listen to our Members as they speak to us as to any new evidence. We the Board of six directors will discuss and consider all.

To be sure we want to speak to the Commission for Bald Head Association but want to wait to do so until all the evidence is submitted.

We are also aware that the issues in this case are primarily questions of law for the Commission to decide. However, we want to submit the opinions of the Members of Bald Head Association and of the Board of Bald Head Association

when the submission of evidence to the North Carolina Utilities Commission is complete for whatever probative value the Commission gives it.



**AMENDMENT TO THE AMENDED AND RESTATED UNIFIED  
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR THE BALD HEAD ASSOCIATION**

This AMENDMENT TO THE AMENDED AND RESTATED UNIFIED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE BALD HEAD ASSOCIATION ("Amendment") is made on the date hereinafter set forth by Bald Head Association on behalf of its members.

**WITNESSETH:**

WHEREAS, the Amended and Restated Unified Declaration of Covenants, Conditions and Restrictions for the Bald Head Association (the "Declaration") is duly recorded in Book 4009 at Page 2006 in the Office of the Register of Deeds for Brunswick County, North Carolina (Except as otherwise noted, all capitalized terms shall have the same meaning and effect as specified in the Declaration); and

WHEREAS, Section 14.2 of the Declaration provides the Declaration may be amended by a vote of two-thirds of those present and voting in person or voting by proxy at a meeting of the Members; and

WHEREAS, Members representing a total of 503 Units voted in person or by proxy attended a duly convened meeting of the Members on January 25, 2020 (the "2020 Membership Meeting") in person or by proxy; and

WHEREAS, at the 2020 Membership Meeting, 471 Units voted to amend Section 10.5(a) of the Declaration as provided herein; and

WHEREAS, Members representing a total of 587 Units attended a duly convened meeting of the Members on January 29, 2022 (the "2022 Membership Meeting") in person or by proxy; and



WHEREAS, at the 2022 Membership Meeting, 537 Units vote to amend Sub-section 5.1(b), 532 Units voted to amend Section 5.7, 475 Units voted to remove Sub-section 7.1(c), 553 Units voted to amend Section 11.2, and 529 Units voted to add Section 17.3, all as provided herein.

WHEREAS, a certified copy of the resolution adopting the amendment which is signed by the President of the Association and attested to by its Secretary is attached hereto.

NOW, THEREFORE, the Declaration is amended as follows:

1. Sub-section 5.1(b) is amended and replaced in its entirety with the following:

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

2. Section 5.7 is amended and replaced in its entirety with the following:

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

3. Sub-section 7.1(c) is removed.

4. Section 10.5 is amended and replaced in its entirety with the following:

10.5 Use Guidelines and Restrictions. The following Use Guidelines and Restrictions apply to all the Properties except for that real property owned by the Bald Head Island Club or the golf course at the time of the recordation of this Declaration, and except to the extent Subsection (a)(i) exempts particular lots from the single-family utilization restriction, subject to the conditions specified therein.

(a) Single Family Utilization. This Declaration will restrict all Units to use only for single family residential purposes unless an amendment to this Declaration is adopted in accordance with Section 14.2. No home or other structure constructed within the described area will be utilized for commercial purposes, except that home offices will be permitted as long as such offices do not induce traffic, require signage, require outdoor storage of equipment, inventory, vehicles, or include retail space. If otherwise approved



in accordance with the procedures and standards set out within this Declaration, nothing contained herein will prohibit or restrict the construction of any appurtenant structure to any residence, including, but not limited to, decks, walkways, crofter's cottages or cart storage facilities.

No dwelling, including any ancillary structure or annex to a Unit, will be utilized at any time for occupancy by more than one family or one family with guests. The Owner of a Unit is specifically prohibited from occupying an ancillary structure or annex located on his Unit while renting the primary residential dwelling, or from occupying the primary residential dwelling while renting the ancillary structure or annex, or from renting to two or more rental parties, the primary residence and the ancillary structure or annex.

(i) Notwithstanding the foregoing, each of these Lots shall be exempt from the single-family utilization restriction (but shall otherwise be subject to this Declaration), during the Village of Bald Head Island's ownership of such Lots, provided that the uses shall be subject to such regulations as the Board may adopt pursuant to this Section 10.5 and conditioned upon the Village constructing, utilizing, and maintaining the Lot in accordance with the final conceptual drawings, plans, and specifications approved by the Board. Any further changes to the final plans shall require written approval by the Board. This exemption is personal to the Village only and shall not be transferable or assignable to any other party.

(a) The Lot adjacent to the canoe and kayak storage and launch (described more particularly as Gazebo Tract 3 as shown on a plat of survey prepared by William W. Delaney, II, R.L.S., duly recorded in the Brunswick County Register of Deeds for Brunswick County, North Carolina, in Map Cabinet Z, Instrument Number 196), to be used for purposes of boat and kayak storage and parking;

(b) The unbuildable lot situated near the intersection of South Bald Head Wynd and Black Skimmer Trail (described more particularly as Lot 1319, Stage 1 of Bald Head Island, according to a map thereof duly recorded in Map Book 12 at Pages 1-9 of the Brunswick County Registry), to be used for purposes of a special needs beach access.

5. Sub-section 11.2 is replaced in its entirety with the following:

11.2 Responsibility of Owner. Each Unit Owner will maintain and preserve the grounds of the Unit, Living Unit, and all structures located thereon in a clean, neat, sightly and attractive condition; and will provide for the removal of all trash and refuse from the Unit. This removal will be consistent with the Community Wide Standard and all applicable covenants, unless such maintenance responsibility is otherwise assumed by or assigned to the Association pursuant to this Declaration. In addition to any other enforcement rights, if an Owner fails properly to perform his or her maintenance responsibility, the Association may, but is not required to, perform such maintenance responsibility and assess all costs incurred by the Association against the Unit and the Owner in accordance with ARTICLE 5. The Association will afford the Owner reasonable



notice and an opportunity to cure the problem prior to entry. Within certain subdivisions or communities depicted in EXHIBIT B, certain properties as shown on recorded plats of said subdivisions shall be owned by the Owner of more than one Lot, for the sole benefit and use of said Owners. For example, a common driveway may provide access to two or more Lots, or a common walkway may provide beach access or access to other areas to the Owners of two or more Lots. The Owners of such Lots shall have the primary responsibility for the maintenance and upkeep of such jointly-owned properties. However, to the extent that one or more of said Owners fail or refuse to maintain such properties in a good, useable and sightly condition, or to the extent that one or more of such Owners does not pay said Owner's pro rata share for the upkeep and maintenance of such facility, the Association shall have the full right and authority to go upon such property, and to bring such improvements located hereon into a good, sightly, useable condition, or to cause landscaping or maintenance to be undertaken to maintain the safety and sightly appearance of such property, and the Association shall have the right to assess, in the nature of a special assessment, without approval of any Owner, the cost thereof against any Owner not contributing said Owner's fair and pro rata share of the cost of such activities or improvements. Before the Association undertakes such action or expends any funds, the Association shall give a written notice to all affected owners, giving such Owners thirty (30) days in which to take the required action or to pay the required fees. Failure of the Owners to then so act shall give the absolute right to the Association to proceed as allowed herein, and to collect as part of the assessment an additional twenty percent (20%) of the cost of the work performed as an administrative and supervisory fee.

6. The following Section 17.3 is added:

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

**Except as specifically amended herein, all provisions of the Declaration shall remain in full force and effect.**

(SIGNATURE PAGE FOLLOWS)



IN WITNESS WHEREOF, the undersigned have set their hands and seals this 27<sup>th</sup> day of May, 2022.



BALD HEAD ASSOCIATION  
A North Carolina Corporation

By: [Signature]  
Name: Alan Briggs  
Title: President

Attested by:

[Signature: Robert Drumheller]

Name: Robert Drumheller  
Title: Secretary

STATE OF NORTH CAROLINA  
COUNTY OF BRUNSWICK

I, Regina M. Hinson, a Notary Public in and for the State and County aforesaid, do certify that Robert Drumheller personally appeared before me this day and acknowledged that he is the Secretary of Bald Head Association, a non-profit corporation, and that by authority duly given and as the act of Bald Head Association, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by himself as its Secretary.

Witness my hand and official seal this 20 day of May, 2022.

[Signature: Regina M. Hinson]  
Notary Public  
Print Name: Regina M Hinson

My commission expires: 10/22/2022

(seal)



OFFICIAL COPY

Sep 08 2022



EXHIBIT A

**RESOLUTION OF BOARD OF DIRECTORS OF BALD HEAD ASSOCIATION**

The Board of Directors of Bald Head Association, through its duly authorized President, and as attested to by its duly authorized Secretary, does hereby adopt the following resolution, following action taken at a duly called meeting of the Board.

WHEREAS, the Amended and Restated Unified Declaration of Covenants, Conditions and Restrictions for the Bald Head Association (the "Declaration") is duly recorded in Book 4009 at Page 2006 in the Office of the Register of Deeds for Brunswick County, North Carolina (Except as otherwise noted, all capitalized terms shall have the same meaning and effect as specified in the Declaration); and

WHEREAS, the Members voted to amend the Declaration, first at the January 25, 2020 meeting and again at the January 29, 2022 meeting; and

WHEREAS, the total votes in favor the proposed amendments exceeded the number required to amend the Declaration, as provided in Section 14.2; and

WHEREAS, at a meeting of the Board of Directors on May 13, 2022, the Board adopted the amendments.

WHEREAS, to be effective, an amendment to the Declaration must be recorded in the Brunswick County Registry and have appended thereto a certified copy of a Resolution of the Board of Directors, signed by the President, and attested to by the Secretary; and

IT IS THEREFORE RESOLVED that the Declaration is amended, as provided in the Amendment to which this Resolution is appended;

IT IS FURTHER RESOLVED that the Amendment shall be filed with the Office of the Brunswick County Register of Deeds.

(SIGNATURE PAGE FOLLOWS)



This action is taken this 27<sup>th</sup> day of May, 2022.



BALD HEAD ASSOCIATION  
A North Carolina Corporation

By: [Signature]  
Name: Alan Briggs  
Title: President

Attested by:

[Signature]  
Name: Robert Drumheller  
Title: Secretary

\*\*\*

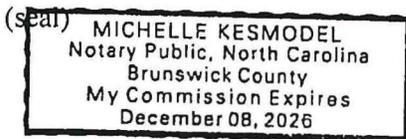
STATE OF NORTH CAROLINA  
COUNTY OF BRUNSWICK

I, Michelle Kesmodel, a Notary Public in and for the State and County aforesaid, do certify that Robert Drumheller personally appeared before me this day and acknowledged that he is the Secretary of Bald Head Association, a non-profit corporation, and that by authority duly given and as the act of Bald Head Association, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by himself as its Secretary.

Witness my hand and official seal this 8<sup>th</sup> day of May, 2022.

[Signature]  
Notary Public  
Print Name: Michelle Kesmodel

My commission expires: December 8, 2026





**Amended and Restated Unified  
Declaration of Covenants, Conditions and Restrictions  
for  
BALD HEAD ASSOCIATION**



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STATE OF NORTH CAROLINA  
COUNTY OF BRUNSWICK

**AMENDED AND RESTATED UNIFIED DECLARATION OF COVENANTS,  
CONDITIONS, AND RESTRICTIONS FOR BALD HEAD  
ASSOCIATION**

THIS AMENDED AND RESTATED UNIFIED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR BALD HEAD ASSOCIATION (hereinafter "Declaration"), is made this the 3rd day of January, 2018, by Bald Head Association, on behalf of itself and all Owners of parcels of real property or lots described and shown on **EXHIBITS A and B**, with the consent of Bald Head Island Limited, LLC, a Texas limited liability company, as successor-in-interest to Bald Head Island Limited, a Texas Limited Partnership.

**PREAMBLE**

WHEREAS, Carolina Cape Fear Corporation, a North Carolina corporation, did, while Owner of Bald Head Island, place certain restrictive covenants on record which apply to land conveyed when the deed or deeds for such land made specific reference to the restrictive covenants recorded in Book 263, Page 621, of the Brunswick County Registry; and

WHEREAS, Bald Head Island Corporation, a North Carolina corporation, acquired substantially all of the undeveloped portion of Bald Head Island in Smithville Township, Brunswick County, North Carolina, pursuant to foreclosure deed, dated May 3, 1976, and recorded in Book 350 at Page 68 of the Brunswick County Registry; and

WHEREAS, subsequent to the recording of the above restrictive covenants, Carolina Cape Fear Corporation and Bald Head Island Corporation did convey lots on Bald Head Island with reference to said restrictions; and

WHEREAS, Bald Head Island Corporation recorded a Declaration of Restrictions dated April 18, 1977, for property located within Stage I of Bald Head Island, which property is



more particularly described therein, and which Declaration of Restrictions is recorded in Book 374, Page 645, of the Brunswick County Registry; and

WHEREAS, Bald Head Island Corporation and certain Owners of residential lots shown on the subdivision plats of Stage I recorded in Map Book 12, Pages 1-11 and 38 subsequently recorded an Amended and Restated Declaration of Restrictions, dated July 1, 1978, on property located in Stage I of Bald Head Island and which property is more particularly described therein, which Amended and Restated Declaration of Restrictions is recorded in Book 409, Page 421, of the Brunswick County Registry; and

WHEREAS, Bald Head Island Corporation and certain Owners of parcels of real property or residential lots subsequently recorded an Amended and Restated Declaration of Covenants, Conditions and Restrictions for Bald Head Island Stage I, Brunswick County, dated January 29, 1982, for property which is more particularly described therein, which Amended and Restated Declaration of Covenants, Conditions and Restrictions for Bald Head Island, Stage I, Brunswick County, is recorded in Book 498, Page 260, of the Brunswick County Registry; and

WHEREAS, the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Bald Head Island Stage I, Brunswick County, recorded in Book 498, Page 260, Brunswick County Registry, was subsequently amended in accordance with the requirements set forth in Article XI, Section 4 of said Declaration, by that Amendatory Addendum to Amended and Restated Declaration of Covenants, Conditions and Restrictions recorded in Book 725, Page 943, of the Brunswick County Registry, and by that Resolution before the Board and Amendment, which resolution is recorded in Book 1076, Page 89, of the Brunswick County Registry, and which amendment is recorded in Book 1076, Page 91, of the Brunswick County Registry; and

WHEREAS, certain lots subject to the restrictive covenants recorded in Book 263, Page 621, the Declaration of Restrictions recorded in Book 374, Page 645, the Amended and Restated Declaration of Restrictions recorded in Book 409, Page 421, and Amended and Restated Declaration of Covenants, Conditions and Restrictions for Bald Head Island, Stage I recorded in Book 498, Page 260, all of the Brunswick County Registry, are no longer located above the mean high water line of the Atlantic Ocean and the Cape Fear River because of erosion or other natural phenomenon ("Excluded Lots"); and

WHEREAS, these Excluded Lots no longer have voting rights or the obligation to pay assessments to the Association because they do not lie above the mean high water line of the Atlantic Ocean or the Cape Fear River and have accordingly not been included as Owners for purposes of amending the restrictive covenants set forth in those documents recorded in Book 263, Page 621, Book 374, Page 645, Book 409, Page 421 and Book 498, Page 260, all of the Brunswick County Registry; and

WHEREAS, the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Bald Head Island Stage I, Brunswick County, recorded in Book 498, Page 260, of the Brunswick County Registry (the "1982 Declaration") was intended to supersede and



replace all previous covenants and restrictions for property described in **EXHIBIT A** therein and/or annexed thereto; and

WHEREAS, the 1982 Declaration provided that it could be amended by an instrument signed by Owners of not less than fifty percent (50%) of the Owners of Assessable Properties, as defined therein, in accordance with the procedure for certification and recordation set forth in Article XI, Section 5 therein; and

WHEREAS, the 1982 Declaration and other amended covenants for property described in **EXHIBIT A** were so amended and superseded by the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Bald Head Association recorded in Book 1359, Page 1 of the Brunswick County Registry (the "2000 Declaration"); and

WHEREAS, the 2000 Declaration was subsequently amended by instruments recorded in Book 1436, Page 1298, Book 2655, Page 877, Book 2857, Page 93, Book 3153, Page 586, Book 3352, Page 1347, Book 3352, Page 1347, Book 3352, Page 1351, and Book 3508, Page 76; and

WHEREAS, this Declaration is intended in part to memorialize all applicable changes to the 2000 Declaration effected by the recordation of these prior amendments; and

WHEREAS, Bald Head Island Limited, a Texas Limited partnership, is the successor and/or assignee of Carolina Cape Fear Corporation and Bald Head Island Corporation; and

WHEREAS, Bald Head Island Limited, LLC, successor to the rights of Bald Head Island Limited, has joined in the execution of this Declaration because its consent is necessary to effect certain additional changes to the 2000 Declaration; and

WHEREAS, in accordance with 2000 Declaration, as amended, the Board of Directors and the membership of Bald Head Association were authorized to take such action as may be necessary to cause a legal merger (the "Merger") of Bald Head Association and Bald Head Island Stage Two Association, Inc., so long as the Merger was approved by the members of each association and the governing bodies of the two associations deemed the Merger to be mutually desirable and in the best interest of their respective memberships; and

WHEREAS, the Boards of Directors of both Bald Head Association and Bald Head Island Stage Two Association, Inc. do deem such a Merger to be mutually desirable and in the best interests of their respective memberships; and

WHEREAS, the Boards of Directors of both Bald Head Association and Bald Head Island Stage Two Association, Inc. voted to cause such a Merger to occur pursuant to Chapter 55A, Article 11 of the North Carolina General Statutes and an Agreement and Plan of Merger separately filed in Book 4000, Page 714 of the Brunswick County Registry; and



WHEREAS, at the 2017 Bald Head Association annual meeting, the Bald Head Association membership, as signified by an affirmative vote by more than two-thirds of those present and voting in person or by proxy at a meeting of its members, approved the Merger and the adoption of this Declaration; and

WHEREAS, the membership of Bald Head Island Stage Two Association, Inc., as signified by an affirmative vote of more than two-thirds of the votes cast or a majority of the votes entitled to be cast in person or by proxy at a meeting of its members, whichever is less, approved the Merger; and

WHEREAS, the membership of Bald Head Island Stage Two Association, Inc., as signified by an affirmative vote of at least sixty percent (60%) of those membership votes in attendance either in person or by proxy at a meeting duly called for such purpose, approved the adoption of this Declaration; and

WHEREAS, the merger occurred on January 2, 2018 upon the filing of Articles of Merger with the North Carolina Secretary of State; and

WHEREAS, Bald Head Association is the surviving corporation; and

WHEREAS, prior to the recordation of this Declaration, the Properties described in **EXHIBIT B** to this Declaration have been subject to the Protective Covenants for Bald Head Island Stage Two recorded in Book 1045, Page 676, Brunswick County Registry, as the same was amended and corrected in accordance therewith by instruments recorded in Book 1089, Page 122; Book 1100, Page 863; Book 3351, Page 209; Book 3536, Page 1243; Book 3691, Page 1391; and Book 3737, Page 609 (as otherwise amended, collectively, the "Stage Two Primary Covenants"); and

WHEREAS, the Stage Two Primary Covenants may be amended by approval of sixty percent (60%) of those membership votes in attendance either in person or by proxy at a meeting duly called for such purpose; and

WHEREAS, various neighborhood communities comprised of certain Properties identified in **EXHIBIT B** were annexed and made subject to the Protective Covenants for Bald Head Island Stage Two recorded in Book 1045, Page 676, by amendments to the Stage Two Primary Covenants, including without limitation (the Book and Page number in which these documents have been recorded in the office of the Register of Deeds of Brunswick County are included with each document in parentheses): Amended Declaration of Protective Covenants and Amendments for Cedar Court (Book 1062, Page 114); Amendment and Annexation to Protective Covenants for Bald Head Island Stage Two for Chicamacomico Woods, Cape Fear Station (Eco Tract A) (Book 2110, Page 508); Amendment and Annexation to Protective Covenants for Bald Head Island Stage Two for Eco-A-Prime, Cape Fear Station (Book 2172, Page 1426); Amendment and Annexation to Protective Covenants for Bald Head Island Stage Two for Eight (8) Lots in Commercial Tract 5A Cape Fear Station (Book 2173, Page 10); Amendment and Annexation to Protective Covenants for Bald Head Island Stage Two for Kinnakeet Woods, Cape Fear Station (Eco Tract B) (Book 2110, Page 516); Amendment and



Annexation to Protective Covenants for Bald Head Island Stage Two for Kitty Hawk Woods (Eco-B-Prime) Cape Fear Station (Book 2365, Page 276); Amendment and Annexation to Protective Covenants for Bald Head Island Stage Two for Eco Tract C – Kitty Hawk (Book 1953, Page 505); Amendment and Annexation to Protective Covenants for Bald Head Island Stage Two for Single Family 1 Cape Fear Station (Book 1590, Page 290); Amendment and Annexation to Protective Covenants for Bald Head Island Stage Two for Single Family 2 Cape Fear Station (Book 1590, Page 297); Amendment and Annexation to Protective Covenants for Bald Head Island Stage Two for Single Family 3 Cape Fear Station (Book 1380, Page 707); Amendment and Annexation to Protective Covenants for Bald Head Island Stage Two for Single Family 4 Cape Fear Station (Book 1590, Page 304); Amendment and Annexation to Protective Covenants for Bald Head Island Stage Two for Single Family 5 and 7 Cape Fear Station (Book 1380, Page 714); Amendment and Annexation to Protective Covenants for Bald Head Island Stage Two for Single Family 6 Cape Fear Station (Book 1862, Page 1159); Amendment and Annexation to Protective Covenants for Bald Head Island Stage Two for Single Family 8 Cape Fear Station (Book 1382, Page 241); Amendment and Annexation to Protective Covenants for Bald Head Island Stage Two, Single Family 9 Cape Fear Station (Book 1380, Page 1721); Amendment and Annexation to Protective Covenants for Bald Head Island Stage Two, Single Family 10 Cape Fear Station (Book 1380, Page 1147); Amendment and Annexation to Protective Covenants for Bald Head Island Stage Two, Single Family 11 Cape Fear Station (Book 1381, Page 98); Amendment and Annexation to Protective Covenants for Bald Head Island Stage Two, Single Family 12 Cape Fear Station (Book 1604, Page 71); Amendment and Annexation to Protective Covenants for Bald Head Island Stage Two, Single Family 15 Cape Fear Station (Book 1476, Page 1123); Amendment and Annexation to Protective Covenants for Bald Head Island Stage Two, Single Family 16 – Shoals Watch Cape Fear Station (Book 1733, Page 763); Amendment and Annexation to Protective Covenants for Bald Head Island Stage Two, Single Family 17 Cape Fear Station (Book 1372, Page 269); Amendment and Annexation to Protective Covenants for Bald Head Island Stage Two, Single Family 18 Cape Fear Station (Book 1372, Page 263); Amendment and Annexation to Protective Covenants for Bald Head Island Stage Two, Single Family 21 Cape Fear Station (Book 1979, Page 1227); Amendment and Annexation to Protective Covenants for Bald Head Island Stage Two, Recreation 1 – Village Common Cape Fear Station (Book 1388, Page 1353); Amendment and Annexation to Protective Covenants for Bald Head Island Stage Two, Phase One, Surfman’s Walk Cape Fear Station – Multi-Family 3 (Book 1573, Page 785); Amendment and Annexation to Protective Covenants for Bald Head Island Stage Two for The Crescent (Book 2180, Page 1195); Amendment and Annexation to Protective Covenants for Bald Head Island Stage Two for Faire Isle, f/k/a Palmetto Point Island (Book 1260, Page 264); Amendment and Annexation to Protective Covenants for Bald Head Island Stage Two, The Grove (Book 1261, Page 257); Amended and Restated Amendment and Annexation to Protective Covenants for Bald Head Island Stage Two, Keeper’s Landing, Cape Fear Station – Multi-Family 4 (Book 1966, Page 132); Amended Declaration of Protective Covenants and Annexation (Palmetto Cove) (Book 1045, Page 696); Amended Declaration of Protective Covenants and Annexation (Palmetto Court) (Book 1062, Page 110); Amendment to Protective Covenants for Bald Head Island Stage Two, Loggerhead Beach (Book 1287, Page 1040); Amendment and Annexation to Protective Covenants Bald Head Island Stage Two Braemar Highlands (Book 1116, Page 689); Amended Protective Covenants Bald Head Island Stage Two Braemar Extension (Book 1127, Page 1033); Amended Protective Covenants Bald Head Island Stage Two Lot 2072 Extension (Book 1242, Page 855); Amendment and



Annexation to Protective Covenants Bald Head Island Stage Two Single Family 14 Cape Fear Station (Book 1435, Page 657); Amendment and Annexation to Protective Covenants Bald Head Island Stage Two Single Family 13 Cape Fear Station (Book 1602, Page 410); Amendment and Annexation to Protective Covenants Bald Head Island Stage Two Phase Two, Surfman's Walk Cape Fear Station – Multi Family 3 (Book 1610, Page 132); Amendment and Annexation to Protective Covenants Bald Head Island Stage Two Keeper's Landing Cape Fear Station- Multi Family 4 (Book 1766, Page 1200); Amendment and Annexation to Protective Covenants Bald Head Island Stage Two Eco Tract C- Kitty Hawk Cape Fear Station (Book 1915, Page 62); Amendment and Annexation to Protective Covenants Bald Head Island Stage Two The Crescent Cape Fear Station Multi Family 2 (Book 2075, Page 1220); Amendment and Annexation to Protective Covenants Bald Head Island Stage Two Eco-A-Prime Phase 2, Cape Fear Station (Book 2526, Page 795); (collectively, as amended and supplemented, the "Stage Two Secondary Covenants"); and

WHEREAS, the Stage Two Secondary Covenants include restrictions and covenants in addition to those contained in the Stage Two Primary Covenants that are unique to the particular Properties subject to the Stage Two Secondary Covenants; and

WHEREAS, the communities known as Flora's Bluff and Killegray Ridge, as further described in EXHIBIT A, shall not be subject to any covenants or architectural guidelines which are applicable solely to Stage Two Properties as those Properties are described in EXHIBIT B; and

WHEREAS, this Declaration is intended to replace and supersede the Stage Two Primary Covenants and the 2000 Declaration and to apply to all Properties described in EXHIBITS A and B; provided that the Stage Two Secondary Covenants shall remain in full force and effect, subject to the terms of EXHIBIT C; and

WHEREAS, the Board of Directors of Bald Head Association has certified this Declaration in accordance with Article XI, Section 5 of the 2000 Declaration and has attached hereto the certification required therein; and

NOW, THEREFORE, Bald Head Association, pursuant to the authority set forth above, and with the consent of Bald Head Island Limited, LLC, hereby declares in consideration of the premises and intending to be legally bound: that the Stage Two Primary Covenants and the 2000 Declaration are hereby replaced and superseded by this Declaration and all of the Properties, described in EXHIBITS A and B attached hereto and/or subsequently annexed by agreement, shall be hereafter held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the real property. These easements, covenants, restrictions and conditions shall run with the real property and shall be binding on all parties having or acquiring any right, title or interest in the described Properties or any part thereof, and shall inure to the benefit of each Owner thereof.



**ARTICLE 1  
DEFINITIONS**

1.1 Amenities means the facilities constructed, erected, or installed on the Common Area for the use, benefit and enjoyment of Members.

1.2 Architectural Review Committee, ARC, or Committee means the Committee which has jurisdiction over all construction on any portion of the Properties and whose members are appointed by the Board, as further described in Article 7.

1.3 Articles means the Articles of Incorporation of Bald Head Association.

1.4 Association means Bald Head Association, its successors and assigns.

1.5 Board of Directors or Board means those persons elected or appointed and acting collectively as the Directors of the Association.

1.6 Bylaws means the Bylaws of Bald Head Association.

1.7 Capital Improvement means land, building(s), equipment, fixtures, or personal property relating thereto.

1.8 Common Area means all real property and facilities owned by the Association for the common use and enjoyment of all Members of the Association, including greenways, recreational areas, dunes, beaches and roadways. It is intended that the Common Area will include all of the Subject Property except platted lots, Multi-Family Sites, and other Non-Residential Areas, the golf course, clubhouse sites and sites established for utility purposes.

1.9 Common Expense means and includes actual and estimated expenses of acquiring, maintaining and operating the Common Areas and property owned or leased by the Association; of providing services provided for the Association or its Members; and of operating the Association and its committees for general purposes. This will include any reasonable reserves, as may be found necessary and appropriate by the Board of Directors pursuant to this Declaration, the Bylaws and Articles, and will, in addition, include the following:

(a) expenses of administration, maintenance, repair or replacement of the Common Area and Limited Common Area;

(b) expenses declared to be Common Expenses by the provisions of this Declaration, the Bylaws, or agreed to be Common Expenses by the Members present and voting in Person or voting by proxy at a meeting of the Members;

(c) hazard, liability, or such other insurance premiums as this Declaration or the Bylaws may require the Association to purchase;



(d) any ad valorem taxes and public assessments levied against the Common Area; and

(e) expenses for the provision of services benefiting all Members, including, without limitation, transportation services.

1.10 Community Wide Standard means the standard of conduct, maintenance or other activity generally prevailing in the Properties or Bald Head Island. Such standard may be more specifically determined by the Board.

1.11 Declaration means this Amended and Restated Unified Declaration of Covenants, Conditions and Restrictions for Bald Head Association.

1.12 Estate Lots means all lots designated on any recorded plat as E- followed by a number.

1.13 General Assessments means assessments to fund Common Expenses for the general benefit of all Units within the Properties.

1.14 Improved Unit means a Unit with a completed structure ("Living Unit") built upon it for which the Village of Bald Head has issued a certificate of occupancy.

1.15 Limited Common Area means those portions of the Common Area that serve only a limited number of Units and which may include, but specifically is not limited to, walkways, parking buildings or areas serving only specified lots, and such other similar areas as may be designated by the Association. The Limited Common Area will be managed and maintained by the Association at the expense of only the Owners of Units served thereby. Service Areas, as defined herein, are included within the term Limited Common Area.

1.16 Member means and refers to every Owner.

1.17 Multi-Family Site means Timber Creek Condominiums, Royal James Landing condominiums, Swans Quarter Condominium site, Bald Head Island Villas, The Hammocks, Lighthouse Landing, Sabal Palm Cottages, Flora's Bluff, Killegray Ridge, Ibis Roost, Keeper's Landing, Sumner's Crescent, and Surfman's Walk, and any other sites which are or become a part of the Properties, whether by annexation or merger, and which are designated or identified as Multi-Family Sites at the time of annexation or merger.

1.18 Non-Residential Areas means and refers to any plot of land which is a part of or will be annexed to the Properties when permanently developed or established for Non-Residential uses such as the Bald Head Island Club and similar types of facilities, golf courses, club house or other facilities owned by the Association, inns, motels, hotels, offices, shops, service businesses, maintenance and repair areas and similar commercial or service uses necessary and desirable to the Properties and operation of the community.



1.19 Owner means and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any Unit which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

1.20 Person means and refers to any individual, corporation, partnership, association, trustee, or other legal entity.

1.21 Properties or Subject Property means and refers to that certain real property described in EXHIBITS A and B attached hereto.

1.22 Rules and Regulations means the Rules and Regulations of Bald Head Association.

1.23 Service Area means portions of the Common Area located within the property described in EXHIBIT B attached hereto which are reserved for the exclusive use of one or more, but fewer than all, of the Owners.

1.24 Special Assessments means and refers to an assessment which may be levied and collected by the Board in accordance with Section 5.5(a) and (b).

1.25 Stage Two means the portion of the Properties described in EXHIBIT B attached hereto.

1.26 Supplemental Assessments or Supplemental Dues means and refers to an assessment as set forth in Section 5.5(c).

1.27 Unimproved Unit means a vacant Unit with no Living Unit or completed structure built upon it.

1.28 Unit means a portion of the Properties, whether improved or unimproved, which may be independently owned and conveyed and which is intended for development, use and occupancy. A "Lot" is a Unit as that term is used in this Declaration. The term will refer to the land, if any, which is part of the Unit as well as any improvements thereon, including the Living Unit. Non-residential areas may have more than one Unit assigned to it by the Board as provided in Section 2.3.

1.29 User means members of an Owner's family, occupants of an Owner's Unit, and the guests, invitees, licensees, agents, employees, representatives, tenants, lessees and contract purchasers of any Owner.



**ARTICLE 2**  
**ASSOCIATION FUNCTION, MEMBERSHIP AND VOTING RIGHTS**

2.1 Function of Association. The Association will be responsible:

(a) to act on such matters as the Board determines affects the welfare and recreation of its Members and the beautification and conservation of the natural environment of the Properties;

(b) to communicate the actions, decisions and activities of the Association and Bald Head Island events (deemed by the Board to be of general interest) to its Members;

(c) to provide such services and facilities to its Members as the Board determines will promote the welfare and recreation of its Members and beautification and conservation of the natural environment of the Properties or any part of them, which services may include, for example, operating a Community Center building for its Members and others;

(d) for ownership, management, maintenance, operation and control of the Common Area owned or leased by the Association within the Properties and any private roads and Amenities owned by the Association, or other areas maintained by the Association;

(e) for enforcement of this Declaration, the Articles, Bylaws and the Rules and Regulations;

(f) for administering and enforcing the architectural design guidelines and controls set forth in this Declaration and in the Design Guidelines; and

(g) to perform its functions in accordance with this Declaration, the Bylaws, the Articles and applicable North Carolina law.

2.2 Membership. Every Owner will be a Member of the Association. Membership shall be appurtenant to and may not be separated from Ownership of any Unit which is subject to assessment by the Association. There will be only one membership per Unit. If a Unit is owned by more than one Person, all Co-Owners will share the privileges of that membership. The membership rights of an Owner which is a corporation, partnership, limited liability company or other legal entity may be exercised by any officer, director, partner, member, manager, or trustee, or by any other individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Association. The Board of Directors may make reasonable rules relating to the proof of Ownership of a Unit.



2.3 Voting.

(a) The Association shall have one class of voting membership. Members shall be entitled to one vote for each Unit in which they hold the interest required for membership by this ARTICLE. When more than one person holds such interest in any Unit, all such persons shall be Members. The vote for each Unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any single Unit, and no fractional vote shall be cast with respect to any Unit. Members may notify the Secretary of the Association of the name of the individual who is entitled to cast the vote for that Unit in writing prior to any meeting; absent such notification the Member's vote will be suspended if more than one person seeks to exercise it.

(b) Non-Residential Areas will be entitled to one vote for each Unit owned. The number of Units allocated to each Non-Residential Area will be determined by the Board, but will not be less than one Unit.

(c) The Association for any Common Area owned or any association within a Multi-Family Site for any property owned within such Multi-Family Site will not have any votes.

(d) Bald Head Island Limited, LLC shall only be entitled to one (1) vote for each Unit in which it holds the interest required for membership by this Article and is not entitled to three (3) votes per each Lot owned in Stage Two, as such right was previously established in the Stage Two Primary Covenants.

**ARTICLE 3  
RIGHTS AND OBLIGATIONS OF THE ASSOCIATION**

3.1 Personal Property and Real Property for Common Use. The Association may acquire, hold, and dispose of tangible and intangible personal property and real property.

3.2 Rules. The Association, through its Board, may make, revoke, amend and enforce reasonable rules governing the use of the Properties, in addition to further defining or limiting and, where specifically authorized hereunder, it may create exceptions to those covenants and restrictions set forth in this Declaration. Such rules shall be binding upon all Owners and Users.

3.3 Enforcement. The Association may impose sanctions for violations of this Declaration, the Articles, the Bylaws, or Rules and Regulations, including reasonable monetary fines and suspension of the right to vote and the right to use any recreational facilities or Amenities within the Common Area. In addition, the Association may exercise self-help to cure violations, and may suspend any services it provides to the Unit of any Owner who is more than thirty (30) days delinquent in paying any assessment or other charge due to the Association. The Board may seek relief in any court for violations or to abate nuisances. The Board may assess the reasonable monetary fines authorized by this Section as a Special Assessment authorized by



ARTICLE 5 of this Declaration, and may take any other action permitted by this Declaration for the enforcement of this Declaration, including those set forth in ARTICLE 15.

3.4 Board Authority and Implied Rights. Except as otherwise specifically provided in this Declaration, the Bylaws or Articles, all rights and powers of the Association may be exercised by the Board without a vote of the membership. The Association may exercise any other right or privilege given to it expressly by this Declaration or the Bylaws, or the North Carolina Nonprofit Corporation Act, or other applicable laws or reasonably implied therefrom or reasonably necessary to effectuate any such right or privilege.

3.5 Indemnification. To the maximum extent allowed by North Carolina law, the Association will indemnify every officer, director, and committee member against all expenses, including counsel fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board) to which he or she may be party by reason of being or having been an officer, director or committee member.

The Association will, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

3.6 Management and Administration. The management and administration of the Association and Common Area will be the sole right and responsibility of the Association. The management will be carried out in accordance with the terms and conditions of this Declaration, the Articles, Bylaws and Rules and Regulations; or they may be delegated to another person or entity, including a management company.

3.7 Association Insurance. The Association will maintain all insurance coverage it believes desirable, including, but not limited to officers' and directors' liability insurance, general liability insurance, Workman's Compensation insurance and casualty insurance.

## ARTICLE 4 CONDEMNATION

4.1 Condemnation. If any part of the Common Area shall be taken (or conveyed in lieu of condemnation by the Board acting on a vote of at least two-thirds of the Members present and voting in person or voting by proxy at a meeting of the Members) by any authority having the power of condemnation or eminent domain, each Owner will be entitled to written notice. The award made for such taking will be payable to the Association and will be used as set forth in paragraph 4.2 below and thereafter, in the discretion of the Board of Directors.

4.2 Restoration. If the taking involves a portion of the Common Area on which improvements have been constructed, the Association will restore or replace such improvements on the remaining land included in the Common Area to the extent available,



unless at least two-thirds of the Members present and voting in person or voting by proxy at a meeting of the Members shall otherwise agree. Any such construction will be in accordance with plans approved by the Board.

**ARTICLE 5  
ASSESSMENTS**

**5.1 Creation of Assessments.**

(a) The Association is hereby authorized to levy assessments against each Unit for Association expenses as the Board may specifically authorize from time to time. There will be three types of assessments for Association expenses: (1) General Assessments to fund Common Expenses for the general benefit of all Units within the Properties ("General Assessments"); (2) Special Assessments as described in Section 5.5; and (3) Supplemental Assessments (also referred to as Supplemental Dues) to fund the cost of providing management, maintenance, repair, and replacement to Service Areas that benefit only certain Units. Each Owner, by accepting a deed or entering into a recorded contract of sale for any portion of the Properties is deemed to covenant and agree to pay these assessments.

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

(c) No Owner may exempt himself from liability for assessments, by non-use of Common Area, abandonment of his Unit, or any other means. No diminution or abatement of assessments or set-off will be claimed or allowed for any alleged failure of the Association or Board to take some action, or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

(d) The Association is specifically authorized, but not obligated, to enter into subsidy contracts or contracts for "in kind" contribution of services, materials or a combination of services and materials with other entities for payment of Common Expenses.

**5.2 Purposes of Assessments.** The assessments levied by the Association will be used exclusively for the purpose of fulfilling the function of the Association as more specifically set forth in Section 2.1 herein.

**5.3 Computation of General Assessment.**

(a) At least thirty (30) days before the beginning of each fiscal year, the Board shall prepare a budget covering the estimated Common Expenses during the coming year, including a capital contribution to establish a reserve fund in accordance with a budget prepared as provided in Section 5.4.



(b) The General Assessment will be levied against all Units as hereinafter set forth and will be set at a level which is reasonably expected to produce total income for the Association equal to the total budgeted Common Expenses, including reserves. In determining the level of assessments, the Board, in its discretion, may consider other sources of funds available to the Association. Improved Units shall pay General Assessments (as of the beginning of the fiscal year following the issuance of a certificate of occupancy for the Improved Unit) equal to three (3) times the General Assessment payable by the Owner of an Unimproved Unit.

5.4 Capital Reserve Budget. The Board will annually prepare a capital reserve budget for acquisition, maintenance and replacement of Capital Improvements which considers the number and nature of replaceable assets, the expected life of each asset, and the expected cost.

5.5 Special Assessments.

(a) In addition to other authorized assessments, the Association may levy Special Assessments from time to time to cover Capital Improvements, including acquisition, construction, reconstruction, maintenance, repair or replacement thereto, or unbudgeted expenses or expenses in excess of those budgeted. The Board may establish the amount of the Special Assessment for Capital Improvements if it is less than (1) ten percent (10%) of the General Assessment or (2) TWO HUNDRED FIFTY DOLLARS (\$250.00), whichever is greater, in any assessment year for each Unit. All other Special Assessments for Capital Improvements will require the affirmative vote of two-thirds of Members present and voting in person or by proxy at a meeting of the Members who will be subject to such Special Assessment. Special Assessments for Capital Improvements will be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved. Improved Units shall pay Special Assessments levied under this subparagraph (a) equal to three (3) times the Special Assessment levied against an Unimproved Unit hereunder.

(b) The Board will have the power to levy Special Assessments against a particular Unit or Units constituting less than all Units within the Properties, as follows:

(1) to cover the costs, including overhead and administrative costs, of providing benefits, items, or services to the Unit or occupants thereof upon request of the Owner pursuant to a menu of special services which the Board may from time to time authorize to be offered to Owners, which assessments may be levied in advance of the provision of the requested benefit, item or service as a deposit against charges to be incurred by the Owner;

(2) to cover costs including overhead and administrative costs and reserves incurred for maintenance, repair and replacement of any private roads, signs, fences and berms or other structures or items which are constructed for the benefit of certain specified Units;



(3) to cover costs incurred in bringing the Unit into compliance with the terms of this Declaration including, but not be limited to, ARTICLE 10, the Bylaws, Rules and Regulations, Design Guidelines or costs incurred as a consequence of the conduct of the Owner or User, including fines; provided that the Board shall give the Unit Owner prior written notice and an opportunity for a hearing before levying a Special Assessment under this subsection (b)(3);

(4) to cover all expenses, including overhead, administrative costs and reserves, incurred for maintenance, repair and replacement of any Limited Common Area; or

(5) to cover all expenses, including overhead, administrative costs and reserves for maintenance, repair and replacement of any areas or services for the benefit of any Non-Residential Areas.

**5.6 Supplemental Assessments.** The Board will have authority to levy Supplemental Dues against a particular Unit or Units constituting less than all of the Units located within the property described in EXHIBIT B, to cover the cost of providing management, maintenance, repair, and replacement to Service Areas that benefit only certain Units, including management costs and reserves that shall be collected for the sole purpose of maintenance, repair, and replacement to particular Service Areas, pursuant to the terms of the Stage Two Secondary Covenants. Reserves collected as part of the Supplemental Assessments for the maintenance, repair, and replacement to Service Areas shall be maintained in separate accounts. The Board may enforce such Supplemental Dues in the same manner as Special Assessments. Supplemental Assessments will be payable in such manner and at such times as determined by the Board.

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

**5.8 Lien for Assessments.** All assessments, together with interest from the due date of such assessment at a rate determined by the Board (not to exceed the highest rate allowed by North Carolina law), late charges, costs, and reasonable attorney's fees, will be a charge and continuing lien upon each Unit against which the assessment is made until paid. Each such assessment, together with interest, late charges, costs, and reasonable attorney's fees, will also be the personal obligation of the Person who was the Owner of such Unit at the time the assessment was made. Such lien will be superior to all other liens, except the liens of all ad valorem taxes or assessments, and any other liens which by law would be superior. Upon a



transfer of title to a Unit, the grantee will be jointly and severally liable for any assessments and other charges due at the time of conveyance. However, no first mortgagee or first beneficiary under a deed of trust who obtains title to a Unit by exercising the remedies provided in its mortgage or deed of trust or any individual obtaining title by or through a foreclosure will be personally liable for unpaid assessments which accrued prior to such acquisition of title. In the event of any transfer of title to a Unit, the lien of the assessments will not be extinguished.

5.9 Effect of Nonpayment of Assessments; Remedies of the Association: Any assessments or portion thereof which are not paid when due will be delinquent. The Association may record notice of the claim of lien in the Office of the Clerk of Superior Court of Brunswick County, file Notice of Lis Pendens, file a suit to collect such delinquent assessments and charges against the Owner personally obligated to pay the same, foreclose the lien against the property in the same manner as provided in North Carolina for the foreclosure of deeds of trust, including foreclosure under a power of sale, utilize any combination of these actions, or utilize any other remedy provided under North Carolina law. For any of these actions, interest, late charges, costs and reasonable attorneys' fees will be added to the amount of such assessment. The Association may bid for the Unit at any foreclosure or judicial sale and acquire, hold, lease, mortgage, and convey the Unit. The sale or transfer of any Unit will not affect the assessment lien or relieve such Unit from the lien for any subsequent assessments. No Owner may waive or otherwise escape liability for the assessments provided for herein.

5.10 Exempt Property. The following property will be exempt from the payment of General Assessments, Special Assessments, and Supplemental Assessments:

- (a) all Common Area or Limited Common Area;
- (b) any property dedicated to and accepted by any governmental authority or public utility;
- (c) any property held by a conservation trust or similar nonprofit entity as a conservation easement, except to the extent that any such easement lies within the boundaries of a Unit which is subject to assessment under this ARTICLE (in which case the Unit will not be exempted from assessment).

## ARTICLE 6 MORTGAGEE PROVISIONS

6.1 Notice to Association. In the event that any Member is in default in any obligation hereunder which remains unpaid for a period of sixty (60) days, every lender who is a first mortgagee or first beneficiary under a deed of trust as to the Unit of the defaulting Member will be immediately notified of such default, provided that such lender will have given specific written notice to the Association that it is the holder of a first mortgage, or first deed of trust, and will have requested the notice of default as herein set forth.



6.2 Failure of Mortgagee to Respond. Any mortgagee or beneficiary under a deed of trust who receives a written request from the Board to respond to or consent to any action, will be deemed to have approved such action if the Association does not receive a written response within thirty (30) days of the mailing of such request, provided such request is delivered to the mortgagee or beneficiary of a deed of trust by certified or registered mail, return receipt requested.

**ARTICLE 7  
DESIGN GUIDELINES**

7.1 General.

(a) No structures, buildings, improvements or construction, which shall include within its definition, clearing, grading, excavation and other sitework, will be commenced, erected, or maintained upon any Unit or the Properties, nor will any exterior addition, change, alteration, or change of color be made, except in compliance with this ARTICLE, the Design Guidelines and until the plans and specifications showing the nature, kind, shape, heights, materials, and location of the same will have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Committee according to the provisions of Section 7.2. Structures, buildings and improvements shall include, but not be limited to any dwelling, garage, fence, wall, sidewalk, walkways, hedge, mass planting, change in grade or slope, drainage pipe, drainage canal, ditch, swale, catch basin, swimming pool, tree house, playhouse, sign, flagpole, exterior illumination, monument or marker, outdoor statuary, exterior lights, security lights, storm door, well utility facility, mailbox, patio, deck, screening for outdoor trash cans or other purposes, sprinkler system, driveway, outdoor decorative objects, shrubbery or landscaping.

(b) Any Owner may remodel, paint or redecorate the interior of structures on his Unit without approval. No approval shall be required to repaint the exterior of a structure in accordance with the originally approved color scheme or to rebuild in accordance with originally approved plans and specifications.

(c) This ARTICLE will apply to improvements to the Common Area by, or on behalf of, the Association.

(d) This ARTICLE will apply to improvements located on golf course property, but not to the design of the golf course.

7.2 Architectural Review.

(a) Responsibility for administration of the Design Guidelines, as defined below, and review of all applications for construction and modifications under this Article will be handled by the Committee as described in this Section 7.2. All members of the ARC shall be members of the Association with the exception that a maximum of two (2) members of the ARC may be Design Professionals ("Design Professionals" shall include engineers, architects, surveyors, interior designers, landscapers, and other professionals engaged in the business of



constructing or designing residential homes or landscaping) who are not members of the Association. No more than one-third of the Committee's membership shall be contractors, builders, architects or others involved in the design or construction of structures on the Properties. The Board may hire such professionals as it deems necessary to assist the Committee in the discharge of its duties. The Board may establish and charge reasonable fees for review of applications hereunder. These fees may include the fees charged by any professional employed by the Board and may require such fees to be paid in full prior to review.

(b) The Committee will consist of at least five (5) persons appointed by the Board beginning on January 1, 2000, and will have jurisdiction over all construction on any portion of the Properties. Thereafter, the Board may change the number of persons serving on the Committee to an odd number of at least five (5) and not more than eighteen (18) persons by a vote of not less than two-thirds (2/3) of the Board.

(c) The Committee will consider as part of the review process the natural beauty and features of the land, adherence to the Community Wide Standards, aesthetic compatibility of architectural style and materials with other structures on Bald Head Island, and will maximize the conservation of trees and natural vegetation.

7.3 Design Guidelines and Procedures.

(a) The Committee will prepare design guidelines, application and review procedures (the "Design Guidelines"), and amendments thereto which shall apply to all construction activities within the Properties. The Design Guidelines will contain general provisions applicable to all of the Properties. The Design Guidelines will also contain specific provisions which vary from one portion of the Properties to another depending upon the location, unique characteristics, intended use, and applicable covenants. The Design Guidelines, application and review procedures, and any amendments thereto must be adopted and approved by the Board of Directors initially and reviewed at least every five (5) years thereafter.

(b) Any amendments to the Design Guidelines will apply to construction and modifications commenced after the date of such amendment only, and shall not apply to require modifications to or removal of structures previously approved once the approved construction or modification has commenced.

(c) The Committee will make the Design Guidelines available to Owners and contractors who seek to engage in development or construction within the Properties, and all such Persons will conduct their activities in accordance with such Design Guidelines.

7.4 Submission of Plans and Specifications.

(a) No construction or improvements, as defined in Section 7.1(a), will be commenced, erected, placed or maintained on any Unit; nor will any exterior addition, change or alteration be made thereto, until the plans and specifications ("Plans") will have been submitted to and approved by the Committee. The approval of the Plans will be consistent with



the Design Guidelines. The Plans will show site layout, structural design, exterior elevations, exterior materials and colors, signs, landscaping, drainage, lighting, irrigation, utility facilities layout, screening, and grading plans. The Design Guidelines will set forth the procedure for submission of the Plans. A reasonable fee for the review of the Plans will be required and submitted, along with the Plans and any other supporting documents required by the Committee. The Board may require a deposit to be posted prior to the commencement of any construction or work, which will be used for administrative costs, fees, damage to any Common Area, fines, or penalties incurred during construction or work. Any sums still due and owing will be a Special Assessment and may be collected in accordance with ARTICLE 5 or to insure that construction is completed in accordance with the Plans (including landscaping) approved by the Committee. Any sums remaining at the completion of construction will be returned to Owners or contractor.

(b) In reviewing each submission, the Committee will consider such parameters as the suitability of the proposed building, improvements, structure, landscaping, and the materials of which it is to be built; the proposed site; visual aesthetics; natural platforms and finish grade elevations; harmony of external design with nearby structures, property and environment; location in relation to surrounding structures, property and plant life which it deems appropriate and to the extent they are articulated in the Design Guidelines; possible negative impact on other Units; and compliance with the Design Guidelines and this Declaration. The Committee, for the purpose of retaining the natural features of the Lots, may require relocation of native plants within the construction site as a condition of approval of any submission. The Committee may also consider whether the construction methodology to be utilized and the method of transporting the components to be used in construction will cause substantial damage to the private streets or vegetation. Location of any driveways will be subject to the approval of the Committee.

(c) The Committee will have the right to refuse to approve any Plans which, based on the Design Guidelines, are not suitable or desirable, in its sole discretion, for aesthetic or any other reasons, provided such approval is not unreasonably withheld.

(d) No bulldozing or clearing of trees or excavation of lakes or ponds will be commenced until the Plans showing the nature, kind, shape and location of work to be done have been submitted to and approved in writing by the Committee and a copy filed permanently with the Committee.

(e) The Committee, within forty-five (45) days from the meeting at which each complete submission has been reviewed, will advise the Property Owner submitting the Plans, in writing, at an address specified at the time of submission of (1) the approval of Plans, or (2) the segments or features of the Plans which are deemed by the Committee to be inconsistent or not in conformity with this Declaration and/or the Design Guidelines. In the event the Committee fails to advise the submitting party by written notice within the time set forth above of either the approval or disapproval of the Plans, approval will be deemed to have been given. Notice will be deemed to have been given at the time the envelope containing such notice, properly addressed and postage prepaid, is deposited with the U.S. Postal Service, registered or certified mail, return receipt requested. Personal delivery of such written notice will, however, be sufficient and will be deemed to have been given at the time of delivery.



(f) If construction does not commence on a project for which Plans have been approved within 24 months of such approval, such approval will be deemed withdrawn, and it shall be necessary for the Owner to resubmit the Plans for reconsideration.

(g) An applicant of any Unit disagreeing with the finding of the Committee may appeal the decision to the Board of Directors by giving written notice of appeal to the president of the Association within fifteen (15) days following receipt of notice of denial. The Board may refer the matter to an independent board of appeals of at least three (3) persons appointed by the Board, none of whom shall be a member of the Board or the Architectural Review Committee. Such board of appeals appointed by the Board shall review the decision of the Architectural Review Committee and make a recommendation or take other action as directed by the Board. The rules and procedures under which such board of appeals operates shall be determined by the Board. The Board of Directors will then review the plans, giving the chairman of the Architectural Review Committee, or his designee, the opportunity to present to the Board of Directors specific reasons why the plans were rejected, and the Owner of the Unit or his agent may present information challenging the findings of the Committee. The decision of the Committee will only be overridden by a two-thirds vote of the Board of Directors, and the actions of the Board must be consistent with this Declaration and the Design Guidelines. The Board of Directors will adopt an appeals procedure which is in accordance with the framework set forth in this paragraph.

7.5 No Waiver of Future Approvals. Each Owner acknowledges that the members of the Committee and the Design Guidelines will change from time to time and that interpretation, application and enforcement of the Design Guidelines may vary accordingly. Approval of Plans for any work done or proposed, or any other matter requiring approval, will not be deemed to constitute a waiver of the right to withhold approval for any similar Plans subsequently or additionally submitted for approval.

7.6 Variance. The Committee may authorize in its discretion reasonable variances or adjustments from compliance with any of its guidelines and procedures in order to alleviate practical difficulties and hardship in their enforcement and operation. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing; or (b) stop the Committee from denying a variance in other circumstances. Any such variances shall not violate the spirit or the intent of this document to create a subdivision of Units owned in fee by various persons with each such Owner having an easement upon areas owned by the Association.

7.7 Limitation of Liability. Review and approval of any application pursuant to this ARTICLE will be made on the basis of this ARTICLE and the Design Guidelines only and the Committee will not bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements. Neither the Association, the Board nor the committee, will be held liable for any injury, damages, or loss arising out of the review and approval of any application. This includes, but is not limited to, the granting of a variance, the manner or quality of construction, defects in any Plans, deficiencies in kind or quality of



materials used, or for ensuring compliance with building codes and other governmental requirements.

(a) Any structure placed or improvement made in violation of this ARTICLE will be deemed to be non-conforming. Upon written request from the Board, Owner shall, at its own cost and expense, remove such structure or improvement and restore the land to substantially the same condition which existed prior to the non-conforming work. Should an Owner fail to remove and restore as required, the Board will have the right to enter the property, remove the violation, and restore the property to substantially the same condition as it previously existed. All costs, together with the interest at the maximum rate then allowed by law, may be assessed against the Unit Owner and the benefited Unit and collected as a Special Assessment in accordance with the provisions of ARTICLE 5.

(b) The Association shall have the authority to establish fines for violations of this ARTICLE and the Design Guidelines, including fines for continuing violations. The fine amounts may be deducted from any deposit posted. If the fines are not paid, the Association may establish a Special Assessment in accordance with the provisions of ARTICLE 5.

(c) In addition to the foregoing, the Association shall have the authority and standing to pursue all legal and equitable remedies available, including injunctive relief and proceedings for contempt, to enforce the provisions of this ARTICLE and the decisions of the Committee in accordance with the provisions of ARTICLE 15.

7.8 Specific Design Guidelines.

(a) Site Placement. To insure that the maximum balance of view, privacy and breeze will be available to each home located within the Properties; and to assure that all structures will be located with regard to the topography of each individual Unit or Multi-Family Site taking into consideration the height of the dunes, the location of trees on each Unit and similar considerations, the Committee will have the right of approval of the precise site and location of any Multi-Family structure, house or dwelling or other structure upon all the Properties. In its right to approve, the following guidelines for building will be used as a minimum standard, be adhered to, and be followed except with the prior written approval of Committee:

(1) On Estate Lots no building or structure will be located within fifty (50) feet of the street property line in front of said Unit, within twenty-five (25) feet of the side or ten (10) feet of the rear of said Estate Lots.

(2) No Lots shall be merged with one another, except as provided in Section 13.1. On merged Lots, no building or structure will be located within thirty-five (35) feet of the front property line abutting the roadway, within twenty-five (25) feet of the side or ten (10) feet of the rear lines of the resulting merged Lot.



(3) Any setbacks or any allowed building pad shown on any recorded subdivision plat are incorporated herein by reference. Unless otherwise shown on such a plat or specified in an amended declaration annexing properties hereto, no building or structure will be located (a) on any other Lot within the properties described in **EXHIBIT A**, within thirty-five (35) feet of the street property line in front of said Unit or within ten (10) feet of the side or rear lines of said Unit, and within fifteen (15) feet of any side street and (b) on any Lot within the properties described in **EXHIBIT B**, within thirty-five (35) feet of the street property line in front of said Unit or within ten (10) feet of the side or rear lines of said Unit. To the extent there is a conflict between this sub-section and the requirements of the approved Planned Unit Development (PUD) applicable to all or a portion of the Properties, the PUD shall be controlling.

(b) General Building Restrictions. Construction on numbered single-family Units within the Properties will be governed by the following general minimum requirements:

(1) Except with the prior written approval of the Board, all single family residences will have a maximum height of thirty-five (35) feet as measured from the lowest natural point where the main building perimeter and any attached structures meet grade ("Lowest Point") to the highest point of the roof. For the purpose of determining the Lowest Point on a lot where any elevation beneath the building perimeter falls below an elevation of five feet (5') above mean sea level (AMSL), the Lowest Point shall be considered five feet (5') AMSL. Height limitations for properties annexed hereto may differ from the height limitation set forth herein; any such limitation on height shall be contained in the amendment subjecting such annexed properties to the terms, provisions and conditions of this Declaration; provided that the Lowest Point for all properties shall be determined as set forth herein. The Board will establish the maximum height of Multi-Family and Non-Residential structures as part of the Design Guidelines, which may not exceed forty-five (45) feet except with the prior written approval of the Board.

(2) Except as provided herein or in the Stage Two Secondary Covenants, single-family residences will have the minimum square footage of sixteen hundred (1600) square feet of enclosed living area, exclusive of garages, boat sheds, terraces, decks and open porches. A maximum of three hundred (300) square feet of the square footage of the floor plan may be included in a fully screened porch, so long as the roof of such porch forms an integral part of the roof line of the main structure.

(3) No temporary structures, such as trailers, tents, canopies or mobile homes, will be placed on any Unit within the Properties; provided, however, that in the course of the construction of the building as set out above, the contractor or builder may have shelters or storage sheds used in the course of the construction and for no other purpose, which will be removed from the premises within ten days after the completion of the building. No tents or canopies will be placed on any Unit without the written consent of the Association.

The Committee will approve the location of any structure, having regard for the foregoing considerations, aesthetic considerations, Community-Wide Standard, size, shape and location of



the property, type of housing, and any other reasonable considerations. The Committee has the right to require maintenance and/or removal of plant material to protect an Owner's view.

(c) Completion. Once construction of a dwelling or other improvements is started on any Unit, the exterior improvements, including painting and landscaping must be completed in accordance with the approved plans and specifications within twenty-four (24) months from the Commencement Date. "Commencement Date" will be the date of the issuance of the building permit. Failure to complete construction within twenty-four (24) months from Commencement Date may result in a fine being imposed in the minimum amount of \$500.00 per month, which shall be payable to the Association. The fine imposed under this Section will be a Special Assessment enforceable in accordance with ARTICLE 5.

(d) Compliance with Local Regulations. Buildings must in all particulars meet the requirements of the Brunswick County Health Department regulations and the Village of Bald Head Island building code and ordinances, including the procuring of a building permit and landscape permit.

(e) Water and Sewer Service. All buildings must hook up to water and sewer service at the time of construction, whether provided by a private utility company or the Village of Bald Head Island.

(f) Non-Residential Guidelines. The Board may adopt specific guidelines governing any Non-Residential structure located within, annexed to, or merged with the Properties.

(g) Braemar Building and Site Restrictions. Lots within the Braemar Subdivision shall be subject to the further building and site restrictions set forth in EXHIBIT D hereto.

## ARTICLE 8 COMMON AREA

8.1 Common Area. The Association, subject to the rights of the Owners set forth in this Declaration, will manage and control the Common Area and all improvements thereon (including, but not limited to, private roads, rights of way, furnishings, equipment, walkways, gazebos, master walkway, and common landscaped areas); and will keep it in good, clean, attractive, and sanitary condition, order and repair, consistent with this Declaration and the Community-Wide Standard.

8.2 Dedication of Common Area. The Association may dedicate portions of the Common Area to any local, state, or federal governmental entity, public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Association.

8.3 Management of Common Area. The management and administration of the Association, Common Area, recreation areas and Amenities will be the sole right and responsibility of the Association.



#### 8.4 Permitted Use of Portions of Common Area.

(a) The Association does, subject to the terms and conditions contained in this Declaration, hereby establish, declare and grant, for the benefit of the Bald Head Island Club ("Club") and its successors in ownership of the Club property, the following non-exclusive licenses for use of the portions of the Common Area further described below:

(i) Landscaping. A license over that certain portion of the Common Area that (A) is located directly adjacent to the Club property, (B) lies within thirty (30) feet of the boundary between the Common Area and the Club property and (C) is currently being landscaped by the Club (the "Landscape License Area"), for the limited purposes of landscaping, planting of grass, watering the golf course, application of fertilizer to the golf course as needed, and otherwise mowing and maintaining the Landscape License Area (the "Landscape License"). The Landscape License will include the right to trim underbrush and remove trees less than three inches in diameter (outside bark to outside bark) when measured four (4) feet above ground level, stumps, trash and debris that would or could be in conflict with the plans and specifications of the golf course as reasonably determined by the Club. No strip clearing, including, without limitation, the removal of underbrush including all roots, shall be permitted.

(ii) Play Areas. A license to permit and authorize registered golf course players and their caddies to enter upon the Landscape License Area to recover a ball or play a ball (the "Play License"). The Play License is subject to the official regulations of the course, and such entering and playing will not be deemed a trespass. Registered golf course players or their caddies will not be privileged to enter the Landscape License Area with a golf cart or other vehicle. The Club and its successors in ownership of the Club property shall place and maintain "out of bounds" markers on said areas at the expense of the Club or its successors in ownership of the Club Property.

(b) The Association shall also cooperate with the Club in identifying any areas outside of the Landscape License Area that are currently being landscaped or maintained by the Club (the "Extended Landscape License Area"), and any such use shall be (i) considered a license subject to the same restrictions and limitations as the Landscape License Area and as otherwise set forth herein, including, without limitation, Section 3 below (the "Extended Landscape License") and (ii) non-hostile to the right and title of the Association and non-exclusive to the use of such area by the Association and its Members.

(c) To the extent the Club has compelling reason to maintain or use areas within or outside of the Landscape License Area or the Extended Landscape License Area in a manner that is beyond the rights to landscape granted herein (e.g. for phragmite reduction), (i) the Association shall, upon request by the Club, discuss appropriate terms for such use, (ii) any such use shall be terminable by the Association at any time unless otherwise agreed in writing by the Association and (iii) to the extent any such use is currently occurring, it shall be deemed non-hostile to the right and title of the Association and non-exclusive to the use of such areas by the Association and its Members.



(d) Cart Paths. The Association hereby declares that (a) all use, operation, maintenance, repair and replacement of the golf cart paths in existence as of January 30, 1998 (the "Cart Paths"), being the date of that certain Deed from Bald Head Island Limited to the Association recorded in Book 1205, Page 63 of the Brunswick County Public Registry, and the area they occupied as of such date (the "Cart Path Area"), by the Club and its agents, contractors and employees, shall be for the limited purpose of inspecting, maintaining, removing, replacing and operating the Cart Paths for the benefit of registered golf course players and their caddies, and (b) any use by the Club of Common Area outside the Cart Path Area for any cart paths (the "Cart Path License Area" and, together with the Landscape License Area and the Extended Landscape License Area, referred to herein as the "License Areas") shall be (i) considered a license subject to the same restrictions and limitations as the Cart Path Area and as otherwise set forth herein, including, without limitation, Section 3 below (the "Cart Path License" and, together with the Landscape License, the Extended Landscape License and the Play License, referred to herein as the "Licenses") and (ii) non-hostile to the right and title of the Association and non-exclusive to the use of such area by the Association and its Members.

(e) Term of Licenses. Subject to this Section, the term of the Licenses shall continue in effect until the Association or the Club provides the other at least six (6) months prior written notice of its desire to terminate the same. In the event of a termination of the Licenses, the Club shall be solely responsible for the dismantling and removal of any facilities and equipment from the License Areas within sixty (60) days following such termination. The termination of the Licenses shall not affect the other restrictions and declarations set forth in this Declaration unless otherwise agreed in writing by the Association.

(f) Existing Golf Course Maintenance Easement Area. The Association hereby declares that (a) the "golf course maintenance easement area" described in Section 12.10(b) of the Declaration (the "Easement Area") as interpreted by the Association includes only those areas within thirty (30) feet of the boundary between such Units and the Club Property and (b) any use by the Club of property that is part of a Unit but lies outside the Easement Area (the "Extended Maintenance Area") shall be (i) subject to the same restrictions and limitations applicable to the Easement Area, but terminable by such Unit Owner at any time and (ii) non-hostile to the right and title of the Owner of such Unit and non-exclusive to the use of such area by the owner of such Unit.

(g) Compliance. If the Club's use fails to comply, or ceases to comply, with any and all present or future federal, state or local laws, statutes, ordinances, rules, regulations or orders of any and all governmental or quasi-governmental authorities (collectively, the "Requirements") having jurisdiction over the License Areas, the Easement Area, the Extended Maintenance Area or the Cart Path Area (collectively, the "Accessed Areas"), then the Licenses or other rights of the Club under this Declaration shall be terminable by the Association immediately at any time.

(h) Liability. The Association shall not be liable or responsible in any way for any claims against the Association with respect to or arising out of: (i) any death or any injury of any nature whatsoever that may be suffered or sustained by the Club or any other person, from



any causes whatsoever relating to the Club’s use of the Licenses or other rights under this Declaration; or (ii) any loss or damage or injury to any property outside or within the Accessed Areas belonging to the Club or any other person.

(i) Reserved Rights; Amendment or Termination. The Association reserves, for itself and its successors and assigns, all rights to use the Accessed Areas in any manner that does not directly and materially interfere with the rights granted to the Club in this Declaration. The Association, on behalf of itself and its successors and assigns, reserves the right to revoke, amend, further define, limit, or create exceptions to this Declaration and make and enforce any additional reasonable rules governing the use of the Accessed Areas, all as may be deemed necessary or desirable in the sole judgment of the Association. All rights and obligations reserved or granted to the Association hereunder shall be binding upon and inure to the benefit of its successors and assigns.

(j) No Liens or Right to Assign. The Club shall not have the right, directly, indirectly, by operation of law or otherwise, to assign, mortgage, pledge, encumber, sub-license or otherwise transfer any interest under this Declaration; provided, however, this Declaration shall apply to any successor owner of the Club property. Nothing contained in this Declaration shall empower or confer upon the Club any right to do any act which can, shall or may encumber the interest or title of the Association or Unit Owners in and to the Accessed Areas.

(k) License Only; No Warranties. Notwithstanding anything to the contrary contained herein, any and all rights conferred upon the Club pursuant to this Section create a license only, and no lease, easement or other right or interest of any kind or nature (other than a license) is created or conferred pursuant to this Section. Acceptance of any areas by the Club shall be on an “AS IS, WHERE IS and WITH ALL FAULTS” basis and any warranty, covenant, or guaranty, oral or written, express or implied or by operation of law is disclaimed.

(l) No Public Dedication. Nothing contained in this Section shall ever constitute or be construed as a dedication of any interest herein to the public or give any member of the public any right whatsoever.

(m) Acceptance by Club. The Club, by its use of the Accessed Areas, shall be deemed to have accepted and agreed to the terms and conditions herein.

**ARTICLE 9  
PROPERTY RIGHTS IN COMMON AREA**

9.1 Easement Rights of Owner in Common Area. Every Owner will have a right and nonexclusive easement of use, access, and enjoyment in and to the Common Area which shall be appurtenant to and pass with the title to every Unit, subject to the following provisions:

(a) this Declaration, the Articles, the Bylaws, the Rules and Regulations and any other applicable covenants;



(b) any restrictions or limitations contained in any deed conveying such property to the Association;

(c) the right of the Board to adopt rules regulating the use and enjoyment of the Common Area and improvements thereon, including rules restricting use of the recreational facilities within the Common Area to occupants of Units and their guests and rules limiting the number of guests who may use the Common Area; and the right of the Board to establish penalties for any infractions thereof;

(d) the right of the Board to suspend the voting rights and the right to use the Common Area and the recreational facilities within the Common Area by an Owner or User (1) for any period during which any charge against such Owner's Unit remains unpaid, and (2) for a period not to exceed sixty (60) days for a single violation, or for a longer period in the case of any continuing violation, of this Declaration, the Bylaws, Articles, or the Rules and Regulations, after notice and a hearing pursuant to procedures adopted by the Board;

(e) the right of the Association, acting through the Board, to dedicate or transfer all or any part of the Common Area;

(f) the right of the Board to impose reasonable fees for services or membership requirements and charge reasonable membership admission or other fees for the use of any recreational facility situated upon the Common Area;

(g) the right of the Board to permit use of any recreational facilities situated on the Common Area by persons, other than Owners and Users upon payment of use fees established by the Board;

(h) the right of the Association, acting through the Board, to mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, subject to the approval requirements set forth herein. The rights of such mortgagees in said Properties will be subordinate to the rights of the Unit Owners hereunder; and

(i) easements as provided in ARTICLE 12.

9.2 Extension of Easement Rights. Any Owner may extend his or her right of use and enjoyment to any User, subject to reasonable Board regulation. An Owner who leases his or her Unit will be deemed to have assigned all such rights to the lessee of such Unit for the duration of the lease and any such lessee will abide by all the restrictions contained herein. Any such lease will not release the Owner of his liability for damage to the Common Area caused by said lessee. Owner shall be liable for damage to the Common Area caused by any User.

**ARTICLE 10  
USE GUIDELINES AND RESTRICTIONS**

10.1 Plan of Development, Applicability, Effect. The Properties are subject to architectural and Design Guidelines as set forth in ARTICLE 7 and to guidelines and restrictions



governing land use, individual conduct, and uses of or actions upon the Properties as provided in this ARTICLE 10. This Declaration establishes affirmative and negative covenants, easements, and restrictions (the "Use Guidelines and Restrictions").

10.2 Rules and Regulations. Subject to the terms of this ARTICLE 10, the Board will implement and manage the Use Guidelines and Restrictions through Rules and Regulations which adopt, modify, cancel, limit, create exceptions to, or expand the Use Guidelines and Restrictions.

10.3 Acknowledgment of Owners.

(a) All Owners and all the Properties are subject to the Use Guidelines and Restrictions and are given notice that, (1) their ability to use their privately owned property is limited thereby, and (2) the Board may add, delete, modify, create exceptions to, or amend the Use Guidelines and Restrictions in accordance with Section 10.2.

(b) Each Owner, by acceptance of a deed, acknowledges and agrees that the use and enjoyment and marketability of his or her property can be affected by these provisions, agrees to be bound thereby, and agrees that the Use Guidelines and Restrictions and Rules and Regulations may change from time to time.

10.4 Rights of Owners. Except as may be specifically provided in this Declaration, the Board may not adopt any rule which interferes with the activities carried on within the confines of Units; except that the Association may prohibit activities not normally associated with property restricted to residential or commercial use; that it may restrict or prohibit any activities that create monetary costs for the Association or other Owners, that generate excessive noise or traffic, that create unsightly conditions visible outside the Unit, that block the views from other Units, that create an unreasonable source of annoyance, embarrassment or discomfort to the Association or other Owners; that constitute an illegal, immoral, improper, noxious or offensive activity; or that create a nuisance.

10.5 Use Guidelines and Restrictions. The following Use Guidelines and Restrictions apply to all the Properties except for that real property owned by the Bald Head Island Club or the golf course at the time of the recordation of this Declaration:

(a) Single Family Utilization. This Declaration will restrict all Units to use only for single family residential purposes unless an amendment to this Declaration is adopted in accordance with Section 14.2. No home or other structure constructed within the described area will be utilized for commercial purposes, except that home offices will be permitted as long as such offices do not induce traffic, require signage, require outdoor storage of equipment, inventory, vehicles, or include retail space. If otherwise approved in accordance with the procedures and standards set out within this Declaration, nothing contained herein will prohibit or restrict the construction of any appurtenant structure to any residence, including, but not limited to, decks, walkways, crofter's cottages or cart storage facilities.



No dwelling, including any ancillary structure or annex to a Unit, will be utilized at any time for occupancy by more than one family or one family with guests. The Owner of a Unit is specifically prohibited from occupying an ancillary structure or annex located on his Unit while renting the primary residential dwelling, or from occupying the primary residential dwelling while renting the ancillary structure or annex, or from renting to two or more rental parties, the primary residence and the ancillary structure or annex.

(b) Dunes. An Owner will not remove, reduce, cut down or otherwise change or cause to be removed, reduced, cut down or changed the elevation of any sand dunes or ridges or both within the Properties, even upon their respective Unit, except with the written permission and consent of the Association.

(c) Parking Rights. The Association may regulate the parking of vehicles, boats, trailers and other such items on the Common Area or the Properties. No vehicles, boats, trailers or other similar types of equipment shall be parked within the traffic lane of any street maintained by the Association.

(d) Parking Restrictions. Each Unit Owner will provide off-street parking space(s) for his Unit as required by the Design Guidelines. Off-street parking spaces may be established by the Association at various places for access to selected Common Areas. No boat, water craft of any kind and no boat trailer will be allowed to be parked overnight on any Unit or Common Area unless screened in accordance with the Design Guidelines. Any vehicle violating this restriction may be removed and impounded by the Association and towing charges assessed.

(e) Satellite Receivers/Antennae. No exterior structure or device intended for receiving or transmitting radio, television or other electronic signals or waves will be allowed. Notwithstanding the foregoing, (i) antennae or satellite dishes designed to receive direct broadcast satellite service which are one meter or less in diameter; (ii) antennae or satellite dishes designed to receive video programming services via multi-point distribution services which are one meter or less in diameter or diagonal measurement; or (iii) antennae or satellite dishes designed to receive television broadcast signals which are less than one meter in diameter ("Permitted Devices") shall be permitted, *provided that* any such Permitted Device is placed in the least conspicuous location on the Lot in which an acceptable quality signal can be received and is screened from the view of adjacent Living Units, streets and Common Area in a manner consistent with the Community Wide Standard and the Design Guidelines. No Permitted Device may be placed on the Common Area without the written approval of the Board.

(f) Quiet Enjoyment. No immoral, illegal, improper, obnoxious or offensive activity will be carried on upon the Properties which may be or may become a nuisance or annoyance to the neighborhood or Unit Owners.

(g) Prohibited Uses. It is the intent and purpose of the Association to ensure development and maintenance of the Bald Head Island complex as an exclusive residential community of the highest quality and at the same time to endeavor to retain the



natural, unspoiled beauty of the Island. To that end the following restrictive uses and limitations are placed on all Units within the Properties:

(1) No fuel tanks or storage receptacles will be exposed to public view and will either be located and kept in an accessory building, underground receptacles or screened from view. Trash and garbage receptacles will be enclosed or screened from view.

(2) No open or exposed storage, including junk or abandoned items of personal property, will be maintained on any Unit. No trash or refuse, including leaves, will be burned in an open incinerator within the Properties.

(3) No animals, livestock or poultry of any kind will be raised, bred or kept within the Properties except household pets, which may not be kept, bred or maintained for any commercial purpose. Pets must be kept under control by the Owner at all times and attended as required by the ordinances of the Village of Bald Head Island. The Owner will be responsible to remove all pet excrement deposited on the Properties.

(4) No (i) cluster growths of vegetation in excess of two square feet, (ii) trees measuring three inches or more in diameter (outside bark to outside bark) at four feet along the trunk from the ground level, and (iii) tree limbs of more than three inches or more in diameter may be removed without prior written approval of the Association, which approval will not be unreasonably withheld.

(5) No beach access will be allowed or created other than in a location permitted by the Board.

(h) Signs. No commercial signs, including "for rent", "for sale" and other similar signs will be erected or maintained within the Properties except those which conform to the then-existing Design Guidelines. The Board retains the right to modify the Association standard for signs, including the right to disallow signs altogether and to change the standard specifications, including, but not limited to, the size, shape, color, content, type of material and location of the sign or symbol. Any modification to the defined Association sign standard must be approved by a two-thirds (2/3) vote of all Board members.

(i) Construction. Construction signage and temporary structures, including trailers, shall conform to the then-existing Design Guidelines. The Association will adopt standards for construction sites for the purpose of reasonably controlling the aesthetics, trash, and noise resulting from construction. The Association must approve all identification signs. Only one construction sign will be allowed per Unit.

(j) Non-Residential Structures. The Board may adopt regulations regarding the land use, individual conduct and uses of or actions upon any Non-Residential Areas, at the time any property is annexed into or merged with the Properties, at the time of any amendment permitting non-residential use within any areas currently designated as single family residential Units, or at any other time deemed appropriate by the Board.



**ARTICLE 11  
MAINTENANCE**

11.1 Responsibility of Association. The Association will be responsible to maintain and keep in good repair the Common Area and other Property which the Board may decide to maintain in the interest of the Association.

The Association shall have an affirmative obligation to maintain all private access easements and all driveway easements in **EXHIBIT B** Properties and improvements on either, to the extent conveyed to the Association or to the extent such responsibility is assigned to the Association by this Declaration or any amendment hereto, in good condition, subject to the payment of Supplemental Assessments by the Owners of all Lots benefitted by the easements. Under no circumstances shall the Association have an obligation to utilize Association funds to maintain the access and driveway easements and improvements thereon, other than those funds collected for those purposes. Some of these private access easements (referred to herein as "Easements" and each an "Easement") are described in amendments to the Stage Two Primary Covenants recorded in the following Books and Pages of the Brunswick County Register of Deeds: Book 1380, at Page 707; Book 1380, at Page 714; Book 1480, at Page 721; Book 1382, at Page 241; Book 1573, at Page 785; Book 1590, at Page 290; Book 1953, at Page 505; and Book 1979, at Page 1227. The Association, with the approval, as to each particular Easement, of all the Owners of the Lots subject to the particular Easement, as depicted on recorded plats of the Easements ("Easement Owners") may dedicate the Easement to the Village of Bald Head Island for use by the public. Upon approval by the Association and the Easement Owners, a plat shall be recorded that indicates the dedication of the Easement to the Village of Bald Head Island for use as a public street. After the Association's compliance with the Village Code of Ordinances, including, without limitation, those provisions applicable to a service access thoroughfare, and any other legal requirements applicable to the dedication and acceptance of the dedication of the Easement by the Village of Bald Head Island, the Association shall be responsible for the maintenance of the Easements only in the event the Village fails to keep the Easements in proper repair and free from unnecessary obstructions, abandons the Easements as provided by law, or by agreement of the Association and Village.

11.2 Responsibility of Owner. Each Unit Owner will maintain and preserve the grounds of the Unit, Living Unit, and all structures located thereon in a clean, neat, sightly and attractive condition; and will provide for the removal of all trash or refuse from the Unit. This removal will be consistent with the Community Wide Standard and all applicable covenants, unless such maintenance responsibility is otherwise assumed by or assigned to the Association pursuant to this Declaration. In addition to any other enforcement rights, if an Owner fails properly to perform his or her maintenance responsibility, the Association may, but is not required to, perform such maintenance responsibility and assess all costs incurred by the Association against the Unit and the Owner in accordance with ARTICLE 5. The Association will afford the Owner reasonable notice and an opportunity to cure the problem prior to entry.

Within certain subdivisions or communities depicted in **EXHIBIT B**, certain properties as shown on recorded plats of said subdivisions shall be owned by the Owner of more than one Lot, for the sole benefit and use of said Owners. For example, a common driveway



may provide access to two or more Lots, or a common walkway may provide beach access or access to other areas to the Owners of two or more Lots. The Owners of such Lots shall have the primary responsibility for the maintenance and upkeep of such jointly-owned properties. However, to the extent that one or more of said Owners fail or refuse to maintain such properties in a good, useable and sightly condition, or to the extent that one or more of such Owners does not pay said Owner's pro rata share for the upkeep and maintenance of such facility, the Association shall have the full right and authority to go upon such property, and to bring such improvements located hereon into a good, slightly, useable condition, or to cause landscaping or maintenance to be undertaken to maintain the safety and sightly appearance of such property, and the Association shall have the right to assess, in the nature of a special assessment, without approval of any Owner, the cost thereof against any Owner not contributing said Owner's fair and prorate share of the cost of such activities or improvements. Before the Association undertakes such action or expends any funds, the Association shall give a written notice to all affected owners, giving such Owners thirty (30) days in which to take the required action or to pay the required fees. Failure of the Owners to then so act shall give the absolute right to the Association to proceed as allowed herein, and to collect as part of the assessment an additional twenty percent (20%) of the cost of the work performed as an administrative and supervisory fee.

11.3 Maintenance of Units. If, in the opinion of the Association, any Owner fails to maintain any Unit owned by him in a manner which is reasonably neat and orderly and as is required by ARTICLE 10 or 11 or shall fail to keep improvements constructed thereon in a state of repair so as not to be unsightly, all in the sole opinion of the Association, the Association in its discretion, by the affirmative vote of a majority of the members of the Board of Directors, and following ten (10) days written notice to Owner, may enter upon and make or cause to be made repairs to such improvements and perform such maintenance on the Unit as may be required. This maintenance includes the removal of trash, pruning of shrubbery, weeding, performing items of erosion control, and removing unsightly structures and objects. The Association shall have an easement for the purpose of accomplishing the foregoing.

11.4 Standard of Performance.

Maintenance, as used in this ARTICLE, will include, but not be limited to, repair and replacement as needed, as well as other duties, as the Board may determine necessary or appropriate to satisfy the Community Wide Standard. All maintenance will be performed in a manner consistent with the Community Wide Standard and all applicable covenants and restrictions.

**ARTICLE 12  
EASEMENTS**

12.1 Easement for Utility Installation.

(a) All of the Common Area will be subject to a perpetual non-exclusive easement for water lines, sanitary sewers, storm drainage facilities, telephone and electric power lines, television antenna lines, and other public utilities as may be established by the Association whether the same be within the boundaries of any Unit; provided, however, to the extent that the Properties have been made subject to utility easements by that instrument



recorded in Book 490, Page 260 of the Brunswick County Registry or other recorded easement, and such easements have been utilized by public utilities for the placement or construction of utilities easements, or are reasonably necessary, as determined by the Board of the Association, for use for such placement based upon the location of existing utilities within such easements, such easements shall survive the recording of this Declaration. All other utility easements reserved to Bald Head Island Limited, LLC or its predecessors, i.e., easements which have not been utilized by public utilities in the construction or placement of utility systems or are not deemed necessary to be utilized by public utilities in the construction or placement of utility systems, are extinguished.

(b) The Association may grant easements for utility or other purposes for the benefit of the Properties and the Units, over, under, along and through the Common Areas. Provided, however that no such grant of easement will have a material adverse effect on the use, enjoyment or value of any Unit.

(c) All utility wires, lines, cables and lines, and pipes, without exception, will be underground.

(d) The Owners of Lots described in **EXHIBIT B** agree to execute a contract for availability of utility services in the form as approved from time to time by the North Carolina Utilities Commission, and to pay such charges as required thereby and as the same may be amended from time to time with approval of the North Carolina Utilities Commission. To the extent allowed by the North Carolina Utilities Commission, said fee may be collected as part of Supplemental Dues payable to the Association, and the Association shall remit such sums collected to the appropriate utility company.

12.2 Easements for Cross-Drainage. Every Unit and the Common Area will be burdened with easements for drainage of water runoff from other portions of the Properties. No Unit Owner will alter the drainage on any Unit so as to materially increase the drainage of water onto, or prevent drainage from, adjacent portions of the Properties without the consent of the Owner of the affected property.

12.3 Power to Grant Easements. The Association will have the power and authority to grant and to establish in, over, upon and across the Common Area conveyed to it, such further easements as are requisite for the convenient use and enjoyment of the Properties.

12.4 Easement for Entry. The Association will have the right, but not the obligation, to enter upon any Unit to perform maintenance pursuant to ARTICLE 11 hereof, and to inspect for the purpose of ensuring compliance with this Declaration, Bylaws, and the Rules and Regulations. This right may be exercised by any member of the Board and its officers, agents, employees, and managers without being guilty of a trespass. Except in an emergency situation, entry will only be during reasonable hours and after notice to the Owner.

12.5 Easement for Maintenance. All maintenance of any water, sewer or drainage easement will be the responsibility of the Owner of the Unit on which said easement is located. No structure, planting or other material will be placed or permitted to remain which



may damage or interfere with the installation and maintenance of utilities, sewer or drainage facilities, or which may change the direction of flow of drainage channels in the easements. The easement area of each Unit and all improvements in it will be maintained continuously by the Owner of the Unit, except for those improvements for which a public authority or utility company is responsible.

12.6 Easements for Owner's Ingress and Egress. Every Owner and User shall have a perpetual non-exclusive easement and right of ingress and egress over and across any of the private roads and sidewalks located or to be located within the Properties, as shown on any recorded plats of the Property, for the purpose of providing vehicular and pedestrian access to and from the Properties.

12.7 Easement for Pathways. Each Owner and User will have a perpetual, non-exclusive easement for the use and enjoyment of bicycle paths, pedestrian paths, or nature preserve trails, if any, which may be established by the Association.

12.8 Common Area Easement. Every Owner of a Unit within the Properties, as an appurtenance to such Unit, shall have a perpetual easement over and upon the Common Area within the Properties for each and every purpose or use to which such Common Area is intended as determined by its type, or for which such Common Area generally is used, including, but not limited to, easement of access, maintenance, repair or replacement of the Common Area.

12.9 Grading Easement. The Association reserves unto itself, its successors and assigns, perpetual, alienable and releasable easements within the Properties, including an easement on, over and under the ground to cut drainways for surface water and an easement to grade soil whenever and wherever such action may appear to the Association to be necessary.

12.10 Golf Course Restrictions for Fairway Units. The following special restrictions will apply to all Units abutting, adjoining or lying contiguous to the golf course:

(a) Owners of such Units will not engage in any activities which would detract from the playing qualities of the Bald Head Island golf course, or from the Properties and its attractive overall landscaping plan for the entire golf course area.

(b) The owner of the golf course ("Golf Course Owner") is hereby granted an assignable "golf course maintenance easement area" of thirty (30) feet from the boundary between the Units and the golf course for the purpose of landscaping, planting of grass, watering the golf area, application of fertilizer to the golf area as needed, and otherwise mowing and maintaining the easement area. This easement privilege will include the removal of underbrush, trees less than three inches in diameter (outside bark to outside bark) when measured four feet along the tree trunk, clustered growth measuring less than two square feet, stumps, trash and debris that would or could be in conflict with the plans and specifications of the golf course area as determined by the Golf Course Owner.

(c) Golf Course Owner is hereby granted for itself, its successors or assigns, an easement to permit and authorize registered golf course players and their caddies to



enter upon the golf course easement maintenance area to recover a ball or play a ball. This easement is subject to the official regulations of the course, and such entering and playing will not be deemed a trespass. Registered golf players or their caddies will not be privileged to enter the golf course maintenance easement area on any Unit with a golf cart or other vehicle. Golf Course Owner, its successors or assigns, agree to place and maintain "out of bounds" markers on said lots at the expense of the Golf Course Owner, its successors and assigns.

12.11 Prior Easements. Notwithstanding the replacement of the 2000 Declaration and Stage Two Primary Covenants with this Declaration, all easements created and described in the 2000 Declaration and Stage Two Primary Covenants shall be easements appurtenant to, and shall run with, the land by whomsoever owned, whether or not the same shall be contained or referred to in any future deed or conveyance, and shall at all times inure to the benefit and be binding upon the Association and the Owners, all their grantees and their respective heirs, successors, personal representatives or assigns.

12.12 Easements Run with the Land. All easements and rights described herein are easements appurtenant, running with the land, and shall inure to the benefit of and be binding on all undersigned, their heirs, successors and assigns, and any Owner, purchaser, mortgagee, beneficiary under a deed of trust and other Person having an interest in said land, or any part or portion thereof, regardless of conveyance, or in any mortgage or trust deed or other evidence of obligation, to the benefit of and be binding on the undersigned, its successors and assigns, and any Owner, purchaser, mortgagee, beneficiary under a deed of trust and other Person having an interest in said land, or any part or portion thereof, regardless of whether or not reference to said easement is made in the respective deeds of conveyance, or in any mortgage or deed of trust or other evidence of obligation, to the easements and rights described in this Declaration.

**ARTICLE 13  
SUBDIVISION OF LOTS AND ANNEXATION**

13.1 Subdivision. No Unit within the Properties shall be subdivided or divided into smaller Unit(s) or its boundary lines changed, nor shall any Unit or portion of a Unit be added to or incorporated into any other Unit, without the written consent of the Association, except that subdivision or division of any Unit into time share units is prohibited. However, any two property Owners may jointly purchase and divide a Unit between their respective Units, but in such event, the Unit then ceases in perpetuity to be a Unit in the Properties and is merged into the Ownership of the respective adjoining property Owners in the ratio of their division. Such division must be recorded in writing with the Association. The total number of Units, as indicated on **EXHIBIT A and B** shall not be increased. This Section shall not preclude the addition of Units by subsequent annexation of additional areas.

If the recombination of any Units reduces the total number of allowable building Units within Properties, for purposes of membership in the Association and for purposes of the payment of dues and assessments, recombined Units will be considered a single Unit.

13.2 Annexation. The Association may annex and subject any property on Bald Head Island to the provisions of this Declaration with the consent of the owner of such



property (and any mortgagee or holder of a deed of trust on such property) and the affirmative vote of a majority of the members of the Board of Directors of the Association then holding office. Such annexation shall be accomplished by recording a supplemental declaration in the office of the Register of Deeds of Brunswick County describing the property to be annexed and specifically subjecting it to the terms of this Declaration and the jurisdiction of the Association. Any such supplemental Declaration shall be signed by the President of the Association and the owner of the annexed property (and the mortgagee or holder of a deed of trust on the annexed property, if any). Any such annexation shall be effective upon recording the supplemental declaration in the office of the Register of Deeds of Brunswick County unless otherwise provided therein. Any property annexed and made subject to this Declaration shall be subject to all the terms and conditions of this Declaration, and the owner of such annexed property shall be a Member of the Association.

**ARTICLE 14  
DURATION, AMENDMENT AND TERMINATION**

14.1 Units, Persons and Entities Subject to this Declaration, Duration and Termination. All present and future Owners and Users, shall be subject to, and shall comply with the covenants, conditions, restrictions and affirmative obligations set forth in this Declaration, and as the Declaration may be amended from time to time. The acceptance of a deed of conveyance, the entering into of a lease, or the entering into occupancy or the visiting of any Unit will constitute an agreement that the provisions of this Declaration are accepted and ratified by such Owner and User and that they will fully comply with the terms and conditions of this Declaration. The covenants, conditions, restrictions, and affirmative obligations of this Declaration shall inure to the benefit of and be enforceable by the Association, or the Owner of any Unit, their respective legal representatives, heirs, successors and assigns, for a term of thirty (30) years from the date this Declaration is recorded in the Brunswick County Registry, after which date this Declaration shall be extended for successive periods of thirty (30) years, unless a majority of the then Owners agree to revoke the same. The covenants, restrictions, conditions and affirmative obligations of this Declaration shall run with and bind the land and shall bind any Person having at any time any interest or estate in any Unit as though such provision were made a part of each and every deed of conveyance or lease.

14.2 Amendment. This Declaration may be amended by vote of two-thirds of those present and voting in person or voting by proxy at a meeting of the Members. An instrument which has attached as an exhibit, a certified copy of the resolution adopting the amendment and which has been signed by the president of the Association and attested to by its secretary, must be recorded in the Brunswick County Registry for such an amendment to be effective. In no event may this Declaration be amended so as to alter any obligation to pay ad valorem taxes or assessments for public improvements, as herein provided, or to affect any lien for the payment thereof established herein.

The Board of Directors of the Association may amend this Declaration as shall be necessary, in its opinion, and without the consent of any Owner, in order to qualify the Association or the Subject Property or any portion thereof, for tax-exempt status. Such



amendment will become effective upon the date of its recordation in the Brunswick County Registry.

The Association through a vote of two-thirds of its Board of Directors will be allowed to amend this Declaration, notwithstanding any other provision contained herein, and without joinder of any other party, to correct any discovered error contained herein, to clarify any ambiguity contained herein, or to add or delete any incidental provisions deemed in the sole discretion of Association to be in the best interest of the Association. This right may be exercised, and will be effective, only upon the recordation of a "Corrected Declaration" in the office of the Register of Deeds of Brunswick County. The Corrected Declaration shall specifically reference this document, and the provision impacted.

**ARTICLE 15  
COMPLIANCE WITH THIS DECLARATION, THE ARTICLES, THE  
BYLAWS, AND THE RULES AND REGULATIONS OF THE  
ASSOCIATION**

In the case of failure of an Owner or User to comply with the terms and provisions contained in this Declaration, the Articles, the Bylaws, Rules and Regulations or Design Guidelines, the following relief shall be available:

15.1 Enforcement. The Association, any Owner, any aggrieved Owner on Bald Head Island on behalf of the Association, or any Owner on behalf of all the Owners on Bald Head Island who are Members of the Association shall have the right to enforce by any proceeding at law or in equity, all of the conditions, covenants and restrictions of this Declaration and the Articles, Bylaws, Rules and Regulations of the Association, Design Guidelines and any and all laws hereinafter imposed pursuant to the terms of this Declaration. The prevailing party will be entitled to collect all costs thereof, including reasonable attorneys' fees.

15.2 Remedies. The Association shall have the right to remedy the violation, including the right of entry onto any Unit without being guilty of trespass, and assess the costs of remedying same against the offending Owner as a Special Assessment as provided in ARTICLE 5 herein.

15.3 Suspension of Rights. For any violation of any provision of this Declaration, the Articles, the Bylaws, the Rules and Regulations, or Design Guidelines by an Owner or his User, including, but not limited to, the nonpayment of any General Assessment, Special Assessment, or Supplemental Assessment, the Association shall have the right to suspend the offending Owner's voting rights and/or the use by such Owner and his/her Users of the Common Area and recreational facilities and Amenities for any period during which a violation continues. Such penalties may not be for more than sixty (60) days for violation of any of the Association's published Rules and Regulations.

15.4 Fines. The Association may establish a schedule of fines for the violation of this Declaration, the Articles, Bylaws and Rules and Regulations and Design Guidelines. If an



Owner does not pay the fine within fifteen (15) days the fine shall be a Special Assessment against the Owner's Unit and may be enforced by the Association in accordance with ARTICLE 5 herein.

15.5 Remedies Cumulative. The remedies provided by this Article are cumulative, and are in addition to any other remedies provided by law.

15.6 Waiver. No provision contained in this Declaration, the Articles, the Bylaws, the Rules and Regulations, or the Design Guidelines will be deemed to have been waived, abandoned, or abrogated by reason of failure to enforce them on the part of any Person or the Association as to the same or similar future violations, no matter how often the failure to enforce is repeated. The Association will not be liable to any Owner or other aggrieved party for failure to enforce any provision of this Declaration, the Articles, Bylaws, Rules and Regulations, or Design Guidelines.

**ARTICLE 16  
GENERAL PROVISIONS**

16.1 Dispute Resolution. If a dispute, controversy or claim (whether based upon contract, tort, statute, common law or otherwise) (collectively, a "Dispute") involving the Association arises from or relates directly or indirectly to Bald Head Island, to the development of Bald Head Island, or to this Declaration, Articles, Bylaws, Rules and Regulations, or Design Guidelines; and if the dispute cannot be settled through direct discussions; the parties, including the Association or any Owner, shall submit the dispute for resolution in a mediation administered by a North Carolina certified mediator with experience in homeowners association matters. The mediator will be chosen by agreement of the parties under rules consistent with the rules for mediation required by North Carolina Superior Court. The mediation shall be nonbinding on the parties.

16.2 Amenities and Facilities. Every park, recreation area, recreation facility, dedicated access, and other Amenities appurtenant to the Properties, whether or not shown and delineated on any recorded plat of the Properties, will be considered private and for the sole and exclusive use of the Owners of Units within the Properties. Neither the recording of any plat nor any act of the Association with respect to such area is, or is intended to be, or will be construed as a dedication to the public of any such areas, facilities, or Amenities.

16.3 Applicability; Leases. All provisions of this Declaration and of any Association Rules and Regulations will apply to all Owners and Users of any Unit. Any lease on a Unit will provide that the User of the Unit will be bound by the terms of this Declaration, the Bylaws, and the Rules and Regulations of the Association.

16.4 Other Associations. Other associations have been or may be established within the Properties (e.g., condominium associations) and in connection therewith may designate limited common areas solely for the benefit of members of such associations. The annexation to Bald Head Association of such areas does not and will not entitle the Members of



Bald Head Association to the use of any limited common area established for the benefit of members of such other associations.

16.5 Variances. The Board in its discretion by a vote of at least two-thirds of the members of the Board may allow reasonable variances and adjustments of this Declaration in order to alleviate practical difficulties and hardship in their enforcement and operation. Any such variances will not violate the spirit or the intent of this document to create a subdivision of Units owned in fee by various persons, with each such Owner having an easement upon areas owned by the Association.

16.6 Conflict. In the event of any irreconcilable conflict between this Declaration and the Bylaws of the Association or the Articles of Incorporation of the Association, the provisions of this Declaration will control. In the event of any irreconcilable conflict between EXHIBIT C and the Declaration itself, the provisions of EXHIBIT C will control with respect to those Properties in EXHIBIT B (Stage Two). As to Properties in EXHIBIT A, the remainder of the Declaration will control.

16.7 Severability. Invalidation of any one of the covenants or restrictions set forth herein by judgment of any court, agency or legislative order will in no way affect any other provisions, covenants, conditions or restrictions contained in this Declaration.

16.8 Captions. The captions preceding the various Articles of this Declaration are for the convenience of reference only, and will not be used as an aid in interpretation or construction of this Declaration. As used herein, the singular includes the plural and where there is more than one Owner of a Unit said Owners are jointly and severally liable for the obligations herein imposed. Throughout this Declaration, references to the masculine will be deemed to include the feminine, the feminine to include the masculine, and the neuter to include the masculine and feminine.

16.9 Liberal Construction. The provisions of this Declaration shall be construed liberally to effectuate its purpose of creating a common plan or scheme of development of fee simple ownership of Units and buildings governed and controlled by rules, regulations, restrictions, covenants, conditions, reservations and easements administered by an owners' association with each Owner entitled to and burdened with the rights and easements equivalent to those of other Owners.

**ARTICLE 17**  
**STAGE TWO SECONDARY COVENANTS**

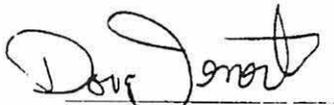
17.1 References in Stage Two Secondary Covenants to Stage Two Primary Covenants. The Stage Two Secondary Covenants shall remain in full force and effect, but the Stage Two Primary Covenants are no longer in effect and have been replaced and superseded by this Declaration. The Stage Two Secondary Covenants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



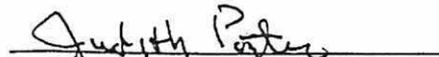
17.2 Enforcement of Stage Two Secondary Covenants. The Association is vested with exclusive authority to enforce the Stage Two Secondary Covenants, except to the extent that any of the communities so authorized by the Stage Two Secondary Covenants may, if they so desire, form a sub-association for the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

IN WITNESS WHEREOF, the Association, acting pursuant to the authority recited above, and Bald Head Island Limited, LLC, for the purpose of consenting to the terms of this Declaration, have caused this Declaration to be executed under seal in a manner so as to be binding this the day and year first above written.

BALD HEAD ASSOCIATION

  
Secretary

By:

  
Judith Porter, President





Docket No. A-41, Sub 21  
Briggs Exhibit 1

OFFICIAL COPY

Sep 08 2022

STATE OF NORTH CAROLINA  
COUNTY OF BRUNSWICK

I, KAREN MOSTELLER, a Notary Public in and for the State and County aforesaid, do hereby certify that DOUG JENEST personally appeared before me this day and acknowledged that he is the Secretary of Bald Head Association, a North Carolina corporation with its principal office in Brunswick County, and that by authority duly given as the act of the corporation, the foregoing instrument was signed in its name by Judith Porter, President, sealed with its corporate seal, and attested by himself as its Secretary.

Witness my hand and official seal this is 3<sup>rd</sup> day of January, 2018.

  
Notary Public  
Print Name: KAREN MOSTELLER

My commission expires:

APRIL 10, 2020

(seal)





CONSENTED TO:

BALD HEAD ISLAND LIMITED, LLC

By:   
Charles A. Paul, III, Manager

STATE OF NORTH CAROLINA  
COUNTY OF BRUNSWICK

I, Joyce M. Bonessi, a Notary Public in and for the State and County aforesaid, do hereby certify that Charles A. Paul, III, personally came before me this day and acknowledged that he is Manager of Bald Head Island Limited, LLC, a Texas limited liability company, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name.

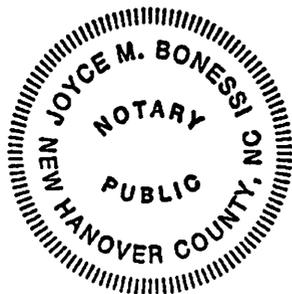
WITNESS my hand and official seal this 22 day of January, 2018.

  
Notary Public

My Commission Expires:

3 / 31 / 2022

(seal)





**EXHIBIT A**

**BEING** all of that real property located on Bald Head Island, Smithville Township, Brunswick County, North Carolina, and more particularly described as follows:

That portion of Bald Head Island bounded on the northeast by North Bald Head Wynd, as located on the subdivision plats hereinafter described, extended to the high water mark of the Cape Fear River, on the east by Muscadine Wynd, as located on the subdivision plats hereinafter described, extended to the high water mark of the Atlantic Ocean, and on the South, West and Northwest by the high water mark of the Atlantic Ocean and the Cape Fear River, which is not shown on subdivision plats recorded in Map Book 12, Pages 1-11 and 38 of the Brunswick County Registry, or included in the tracts set aside for the Bald Head Inn as described in that deed of trust to Dotson G. Palmer, et al., Trustees for Mutual Savings and Loan Association, recorded in Book 288 at Page 470 of the Brunswick County Registry, and amended by Modification Agreement recorded in Book 342, Page 129 of the Brunswick County Registry; and

**BEING** all of that real property annexed to the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Bald Head Island Stage I, Brunswick County recorded in Book 498, Page 260, of the Brunswick County Registry; and

**BEING** all of that real property described in the documents set forth below and all amendments thereto, all of which are recorded in the Brunswick County Registry:

- Book 263, Page 621.
- Book 288, Page 470.
- Book 342, Page 129.
- Book 374, Page 645.
- Book 379, Page 583.
- Book 399, Page 488.
- Book 409, Page 421.
- Book 498, Page 260.
- Book 514, Page 164.
- Book 580, Page 880.
- Book 588, Page 877.
- Book 661, Page 441.
- Book 661, Page 443.
- Book 666, Page 678.
- Book 679, Page 344
- Book 679, Page 349.
- Book 700, Page 522.
- Book 700, Page 528
- Book 715, Page 803.
- Book 882, Page 431.
- Book 925, Page 149.
- Book 961, Page 754.



Book 976, Page 977.  
Book 1005, Page 953.  
Book 1023, Page 362.  
Book 1177, Page 391; and

**BEING** all of that real property described in the maps set forth below and all revisions and additions thereto, which maps are all recorded in the Brunswick County Registry:

Map Book 12, Pages 1-11.  
Map Book 12, Pages 14-17.  
Map Book 12, Pages 36-39.  
Map Cabinet I, Page 373.  
Map Cabinet J, Pages 178-184.  
Map Cabinet J, Page 319.  
Map Cabinet L, Page 195.  
Map Cabinet M, Pages 84-86.  
Map Cabinet O, Page 380.  
Map Cabinet Q, Page 206.  
Map Cabinet S, Page 12.  
Map Cabinet S, Page 112.  
Map Cabinet S, Pages 143-144.  
Map Cabinet U, Page 287.  
Map Cabinet X, Page 231.  
Map Cabinet Y, Page 93.  
Map Cabinet Y, Page 246.  
Map Cabinet Z, Page 72.  
Map Cabinet Z, Page 196; and

**BEING** all of that real property which is located in, made a part of, and annexed to the following subdivisions or sections, including, but not limited to those documents and maps set forth below and all amendments, revisions and additions thereto, all of which are recorded in the Brunswick County Registry:

Sabal Palm Cottages

Book 1068, Page 106  
Book 1109, Page 753  
Book 1100, Page 828

Map Book 17, Page 153  
Map Book 18, Page 14



Timber Creek Condominiums

Book 597, Page 185  
Book 600, Page 232  
Book 601, Page 137  
Book 649, Page 475

Map Cabinet O, Page 160  
Map Cabinet O, Page 161  
Condominium Plat Book 3, Pages 37-41

Lighthouse Landing

Book 766, Page 519  
Book 1068, Page 124  
Book 1075, Page 337  
Book 1081, Page 365  
Book 1195, Page 163  
Book 1122, Page 288  
Book 1132, Page 1015

Map Cabinet Z, Page 399  
Map Book 17, Page 152  
Map Book 17, Page 241  
Map Book 17, Page 465  
Map Book 18, Page 232  
Map Book 18, Page 440

Bald Head Island Villas

Book 487, Page 687  
Book 803, Page 580

Map Cabinet M, Page 250

Ibis Roost

Book 785, Page 231  
Book 912, Page 168  
Book 945, Page 491  
Book 956, Page 1046  
Book 966, Page 468  
Book 971, Page 584  
Book 979, Page 280  
Book 983, Page 830  
Book 1062, Page 118



Map Cabinet T, Pages 287-289  
Map Cabinet T, Page 373  
Map Cabinet U, Page 213  
Map Cabinet X, Page 388  
Map Cabinet Y, Page 71  
Map Cabinet Y, Page 187  
Map Cabinet Y, Page 268  
Map Cabinet Y, Page 305

Middle Island

Book 399, Page 448  
Book 814, Page 501  
Book 824, Page 315

Swans Quarter

Book 651, Page 884  
Book 663, Page 442

Condominium Plat Book 5, Pages 82-94  
Condominium Plat Book 5, Pages 131-136

The Hammocks

Book 1240, Page 983  
Book 1252, Page 47  
Book 1261, Page 1148  
Book 1263, Page 755  
Book 1286, Page 919  
Book 1310, Page 1039

Map Cabinet 7, Page 345  
Map Cabinet 7, Page 346  
Map Cabinet 7, Page 347  
Map Cabinet 7, Page 348  
Map Cabinet 7, Page 349  
Map Cabinet 7, Page 350  
Map Cabinet 7, Page 392  
Map Cabinet 7, Page 393  
Map Cabinet 7, Page 394  
Map Cabinet 7, Page 395  
Map Cabinet 7, Page 396  
Map Cabinet 7, Page 397  
Map Cabinet 7, Page 398



- Map Cabinet 7, Page 432
- Map Cabinet 7, Page 433
- Map Cabinet 7, Page 434
- Map Cabinet 7, Page 478
- Map Cabinet 7, Page 479
- Map Cabinet 7, Page 480
- Map Cabinet 7, Page 481
- Map Cabinet 7, Page 482
- Map Cabinet 7, Page 483

Flora's Bluff

- Book 911, Page 497
- Book 926, Page 719
- Book 927, Page 951
- Book 930, Page 1066
- Book 933, Page 550
- Book 940, Page 197
- Book 941, Page 344
- Book 942, Page 1082
- Book 953, Page 633
- Book 959, Page 672
- Book 961, Page 1009
- Book 971, Page 582
- Book 987, Page 594
- Book 1004, Page 99
- Book 1077, Page 255

- Map Cabinet X, Pages 101-102
- Map Cabinet X, Page 253
- Map Cabinet X, Page 262
- Map Cabinet X, Page 279
- Map Cabinet X, Page 318
- Map Cabinet X, Page 356
- Map Cabinet X, Page 362
- Map Cabinet X, Page 371
- Map Cabinet Y, Page 37
- Map Cabinet Y, Page 79
- Map Cabinet Y, Page 95
- Map Cabinet Y, Page 186
- Map Cabinet Y, Page 333
- Map Cabinet Z, Page 62
- Map Book 17, Page 262

Killegray Ridge

- Book 1007, Page 1015
- Book 1017, Page 131
- Book 1018, Page 44
- Book 1020, Page 435
- Book 1025, Page 806
- Book 1025, Page 808
- Book 1036, Page 115
- Book 1040, Page 728
- Book 1047, Page 292
- Book 1064, Page 714
- Book 1066, Page 211
- Book 1084, Page 519
- Book 1084, Page 521
- Book 1095, Page 585
- Book 1103, Page 1177

- Map Cabinet Z, Page 89
- Map Cabinet Z, Page 92
- Map Cabinet Z, Page 165
- Map Cabinet Z, Page 171
- Map Cabinet Z, Page 192
- Map Cabinet Z, Page 231
- Map Cabinet Z, Page 232
- Map Cabinet Z, Page 303
- Map Cabinet Z, Page 337
- Map Cabinet Z, Page 398
- Map Book 17, Pages 127-128
- Map Book 17, Page 146
- Map Book 17, Page 341
- Map Book 17, Page 342
- Map Book 17, Page 345



Book 1112, Page 583  
 Book 1149, Page 792  
 Book 1155, Page 54  
 Book 1177, Page 54  
 Book 1177, Page 391  
 Book 1192, Page 746  
 Book 1208, Page 1139  
 Book 1219, Page 900  
 Book 1220, Page 740  
 Book 1238, Page 116

Map Book 17, Page 518  
 Map Book 18, Page 85  
 Map Book 18, Page 275  
 Map Book 18, Page 467  
 Map Book 19, Page 243  
 Map Book 19, Page 371  
 Map Book 19, Page 499  
 Map Book 20, Page 152

Bald Head Island Harbour

Book 697, Page 267  
 Book 722, Page 952  
 Book 808, Page 358  
 Book 892, Page 13  
 Book 955, Page 846  
 Book 982, Page 43  
 Book 985, Page 384  
 Book 991, Page 1022  
 Book 1005, Page 945  
 Book 1011, Page 189  
 Book 1069, Page 67  
 Book 1092, Page 196  
 Book 1169, Page 1129  
 Book 1185, Page 928

Map Cabinet R, Page 365  
 Map Cabinet S, Page 142  
 Map Cabinet S, Page 300  
 Map Cabinet U, Page 41  
 Map Cabinet U, Page 66  
 Map Cabinet U, Page 157  
 Map Cabinet W, Page 323  
 Map Cabinet X, Page 367  
 Map Cabinet Y, Page 61  
 Map Cabinet Y, Page 289  
 Map Cabinet Y, Page 313  
 Map Cabinet Z, Page 75  
 Map Cabinet Z, Page 118  
 Map Cabinet 17, Pages 176 and 177.



**EXHIBIT B**

**STAGE TWO**

All of the property previously made subject to the terms of the Protective Covenants for Bald Head Island Stage Two recorded in Book 1045, Page 676 in the office of the Register of Deeds of Brunswick County, including without limitation the property described in the following amendments, as they have been amended and supplemented (the Book and Page number in which these documents have been recorded in the office of the Register of Deeds of Brunswick County are included with each document in parentheses):

- Braemar Extension (Book 1127, Page 1033);
- Braemar Highlands (Book 1116, Page 689);
- Cedar Court (Book 1062, Page 114);
- Chicamacomico Woods, Cape Fear Station (Eco Tract A) (Book 2110, Page 508);
- Eco-A-Prime, Cape Fear Station (Book 2172, Page 1426);
- Eco-A-Prime Phase 2, Cape Fear Station (Book 2526, Page 795).
- Eco Tract C - Kitty Hawk Cape Fear Station (Book 1915, Page 62);
- Eco Tract C – Kitty Hawk (Book 1953, Page 505);
- Eight (8) Lots in Commercial Tract 5A Cape Fear Station (Book 2173, Page 10);
- Faire Isle, f/k/a Palmetto Point Island (Book 1260, Page 264);
- Keeper's Landing Cape Fear Station - Multi Family 4 (Book 1766, Page 1200);
- Keeper's Landing, Cape Fear Station – Multi-Family 4 (Book 1966, Page 132);
- Kinnakeet Woods, Cape Fear Station (Eco Tract B) (Book 2110, Page 516);
- Kitty Hawk Woods (Eco-B-Prime) Cape Fear Station (Book 2365, Page 276);
- Loggerhead Beach (Book 1287, Page 1040);
- Lot 2072 Extension (Book 1242, Page 855);
- Palm Court (Book 1062, Page 110);
- Palmetto Cove (Book 1045, Page 696);
- Phase One, Surfman's Walk Cape Fear Station – Multi Family 3 (Book 1573, Page 785)
- Phase Two, Surfman's Walk Cape Fear Station – Multi Family 3 (Book 1610, Page 132);
  
- Recreation 1 – Village Common Cape Fear Station (Book 1388, Page 1353);
- Single Family 1 Cape Fear Station (Book 1590, Page 290);
- Single Family 2 Cape Fear Station (Book 1590, Page 297);
- Single Family 3 Cape Fear Station (Book 1380, Page 707);
- Single Family 4 Cape Fear Station (Book 1590, Page 304);
- Single Family 5 and 7 Cape Fear Station (Book 1380, Page 714);
- Single Family 6 Cape Fear Station (Book 1862, Page 1159);



- Single Family 8 Cape Fear Station (Book 1382, Page 241);
- Single Family 9 Cape Fear Station (Book 1380, Page 721);
- Single Family 10 Cape Fear Station (Book 1380, Page 1147);
- Single Family 11 Cape Fear Station (Book 1381, Page 98);
- Single Family 12 Cape Fear Station (Book 1604, Page 71);
- Single Family 13 Cape Fear Station (Book 1602, Page 410);
- Single Family 14 Cape Fear Station (Book 1435, Page 657);
- Single Family 15 Cape Fear Station (Book 1476, Page 1123);
- Single Family 16 – Shoals Watch Cape Fear Station (Book 1733, Page 763);
- Single Family 17 Cape Fear Station (Book 1372, Page 269);
- Single Family 18 Cape Fear Station (Book 1372, Page 263);
- Single Family 21 Cape Fear Station (Book 1979, Page 1227);

The Crescent (Book 2180, Page 1195);

The Crescent Cape Fear Station Multi Family 2 (Book 2075, Page 1220);  
The Grove (Book 1261, Page 257)

**LESS AND EXCEPTING THE PROPERTIES COMPRISING FLORA'S BLUFF AND  
KILLEGRAY RIDGE.**



**EXHIBIT C**

References in the Stage Two Secondary Covenants to sections of the Stage Two Primary Covenants shall mean and refer to certain sections of this Declaration as follows:

1. References to the "Protective Covenants" shall mean and refer to this Declaration.
2. References to the "Association" shall mean and refer to Bald Head Association.
3. All capitalized terms set forth in the Stage Two Secondary Covenants shall have the same meaning as specified therein, and if not so specified, shall have the meaning set forth in this Declaration.
4. References to "Common Property" shall mean and refer to "Common Area" as described in Section 1.8 of this Declaration.
5. References to "Paragraph 3 of the Protective Covenants" shall refer to Section 10.5(a) of this Declaration.
6. References to "Paragraph 4 of the Protective Covenants" shall refer to Article 7 of this Declaration.
7. References to "Paragraph 5 of the Protective Covenants" shall refer to Article 7 of this Declaration.
8. References to "Paragraph 6 of the Protective Covenants" shall refer to Article 5 of this Declaration.
9. References to "Paragraph 8 of the Protective Covenants" shall refer to Section 7.8(a)(3) of this Declaration.
10. References to "Paragraph 12 of the Protective Covenants" shall refer to Section 13.1 of this Declaration.
11. References to "Paragraph 19 of the Protective Covenants" shall refer to Section 7.8(b)(1) of this Declaration.



**EXHIBIT D  
(APPLICABLE TO BRAEMAR SUBDIVISION ONLY)**

All Lots within the Braemar Subdivision ("Braemar") depicted on the plat recorded in Map Cabinet Z, Page 386 in the office of the Register of Deeds of Brunswick County ("Plat") shall be subject to the following restrictions, which were previously set forth in the Stage Two Primary Covenants:

(A) The minimum square footage of heated, enclosed living space for each approved primary residential structure shall be 2000 square feet.

(B) No primary structure will be allowed to extend outward from any building plan shown on the Plat, and the construction of any improvement or structure extending outward from said building pad shall require approval of the Committee following an affirmative finding that said improvement or structure meets the standards contained in Article 7 and will not have a negative impact on adjoining Lots.

(C) 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.

(D) No animals, livestock or poultry of any kind shall be kept or maintained on any Lot except that no more than two (2) dogs or cats are allowed, and provided they are attended as required by the ordinances of the Village of Bald Head.

(E) In order to comply with the North Carolina Stormwater 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 surface (as defined by the Department of Environmental Management), which limitations are as set out as follows:

Maximum Impervious Area of 4,000 Square Feet: Lots 2251, 2253, 2255, 2257, 2259, 2261, 2263, 2265

Maximum Impervious Area of 4,500 Square Feet: Lots 2052, 2054, 2056, 2058, 2060, 2062, 2064, 2066

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 insure continued compliance with stormwater runoff regulations and therefore this covenant may be enforced by the State of North Carolina. This provision 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.



(F) The owners of Lots within Braemar shall be deeded by Declarant undivided interests in certain properties within Braemar, shown on the Plat, which shall be used by and made available only to those owners with an undivided interest therein. All owners with an undivided interest in such areas shall maintain such areas, and the improvements thereon, in a good, sightly and functional condition, with costs thereof, if any, being paid by said owners in properties to their undivided interests in such properties. Failure to do so shall permit the Association to take action and collect monies as allowed in Article 5 of this Declaration.

(G) Access to and from South Bald Head Wynd is limited to the area designated "Private Drive" on the Plat. Owners of Lots are prohibited from establishing driveways, walkways, or entrances of any kind along South Bald Head Wynd.

(H) No beach access or other structures, other than those constructed in designated access easements, shall be permitted south of the southernmost point of the designated building pad on each Lot.



- (a) Such property located on Smith (Bald Head) Island, Brunswick County, North Carolina as more fully described in Exhibit A attached hereto.
- (b) Such additional lands on Smith (Bald Head) Island or in Brunswick County as may be annexed by Bald Head Island Corporation, a North Carolina corporation, its successors and assigns (hereinafter known as the "Declarant"), without the consent of members within fifteen (15) years after the date of this instrument.
- (c) Such property as may be annexed at any time with the express consent of two-thirds (2/3) of the members of the Association;

and to promote the health, safety, and welfare of the residents within the above-described property and any additions thereto that hereafter may be brought within the jurisdiction of this Association for this purpose.

#### ARTICLE V

##### POWERS OF THE ASSOCIATION

The Association shall have the following general powers and any others impliedly arising therefrom, to be exercised in the manner provided and in conformity with applicable law, the Declaration hereinafter referred to, the Bylaws of the Association, and these Articles:

- (a) To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions, herein called the "Declaration", applicable to the property, and recorded or to be recorded in the Office of the Register of Deeds of Brunswick County, North Carolina, and as the same may be amended from time to time as herein provided, said Declaration being specifically incorporated herein by reference as if fully herein set out;
- (b) To fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including, but specifically not limited to, licenses, taxes, and governmental charges levied or imposed against the property of the Association;
- (c) To acquire (by gift, purchase, or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use, or otherwise dispose of real or personal property in connection with the affairs of the Association, subject always to the provisions and requirements of the Declaration;

- (d) To borrow money, mortgage, pledge, deed in trust, or nypothecate its real or personal property as security for money borrowed or debts incurred, subject always to the provisions and limitations of the Declaration;
- (e) To participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property and common area subject always to the provisions and limitations set forth in the Declaration;
- (f) To have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Act of the State of North Carolina (Chapter 55A, North Carolina General Statutes) by law may now or hereafter exercise.

#### ARTICLE VI

##### MEMBERSHIP

The Declarant, for so long as it shall be an Owner, and every person or entity who is a record owner of a fee or undivided fee interest in any assessable property, including any lot, multi-family unit or site, parcel or non-residential area which is subject by covenants of record to assessments by the Association, including contract sellers, but excluding persons who hold an interest merely as security for the performance of an obligation, shall be a member of the Association. Ownership of such interest shall be the sole, qualification for membership (other than Declarant); no owner shall have more than one membership per assessable property owned and there shall be only one vote for each assessable property, unit, lot or area. Membership shall be appurtenant to and may not be separated from ownership of any assessable property (including any lot, Unit or parcel) which is subject to assessment. The Board of Directors may make reasonable rules relating to the proof of ownership of such assessable property, lot, unit or area.

#### ARTICLE VII

##### VOTING RIGHTS

Section 1. Classes of Membership. The Association shall have one class of voting membership:

Members shall be entitled to one vote for each assessable property, lot, unit or area in which they hold the interest required for membership by Article VI. When more than one person holds such interest in

any assessable property, lot, unit or area, all such persons shall be members. The vote for such assessable property, lot, unit or area shall be exercised as the owners thereof determine, but in no event shall more than one vote be cast with respect to such property and no fractional vote may be cast with respect to any such property.

Section 2. Suspension of Voting Rights. The right of any member to vote may be suspended by the Board of Directors for just cause pursuant to its rules and regulations and for any period during which any assessment against the lot of a member remains unpaid.

ARTICLE VIII

BOARD OF DIRECTORS

Section 1. Number; Initial Board. The affairs of the Association shall be managed by a Board of not fewer than three (3) nor more than six (6) Directors, who need not be members of the Association. The number of Directors required by the Bylaws of the Association may be changed by amendment thereof. The initial Board shall consist of five (5) Directors and the names and addresses of the persons who are to act in the capacity of and constitute the initial Board of Directors until the selection and qualification of their successors are:

<u>Name</u>	<u>Address</u>
James E. Harrington	114 Overview Road, Cary, NC 27511
John A. Messick	704 East Moore St., Southport NC 28461
George F. Freeman	P. O. Box 2103, High Point, NC 27261 2060 Brentwood, High Point NC 27261
Thad B. Wester	103 West 27th St., Lumberton, NC 28358
P. A. Thomas	1206 Lancaster Place, High Point, NC 27262

Section 2. Election; Term. At or within ten (10) days after the first annual meeting, the members shall elect the number of Directors required by the Bylaws. The term of Directors thereafter elected shall be as provided in the Bylaws. All directors shall serve until their successors have been duly elected and qualified.

Section 3. The method of election of Directors after the first election held pursuant to Section 2 shall be as provided in the Bylaws.

ARTICLE IX

MERGERS AND CONSOLIDATIONS

To the extent permitted by law, the Association may participate in mergers and consolidations with other non-profit corporations organized for the same or similar purposes; provided, no merger or consolidation may be effectuated unless two-thirds (2/3) of all the votes entitled to be cast by each class of membership are cast in favor of merger or consolidation at an election held for such purpose.

ARTICLE X

DISSOLUTION OR INSOLVENCY

Section 1. Voluntary Dissolution. The Association may be dissolved with the assent given in writing and signed by members having not less than two-thirds (2/3) of the votes of the membership.

Section 2. Election of Successor. Upon dissolution or insolvency of the Association, the members may elect to:

(a) form a non-profit corporation and transfer and assign to such corporation the property of the Association for beautification, maintenance, and preservation of lots, yards, and common areas within the properties, with power to assess the owners for such purposes; or

(b) transfer, assign, and convey the property of the Association to any non-profit corporation, association, trust, or other organization which is or shall be devoted to purposes and uses that would most nearly conform to the purposes and uses to which the common area was required to be devoted by the Association.

Section 3. Transfer of Assets. The Association shall have no capital stock, and in the event of dissolution, no member, Director, or officer of the Association, and no private individual, shall be entitled to share in the distribution of the assets of the Association. If any assets shall remain after satisfaction of its just debts, the Association shall grant, convey, and assign such assets to any entity or entities that have accepted and undertaken the care and management of the common area or portions thereof. In the event that more than one entity has undertaken such care and management, the Association may distribute the assets among such entities in a manner which the Association, in its discretion, deems fair and equitable.

ARTICLE XI

AMENDMENTS

Section 1. Amendment by Membership. Except as herein provided, any amendment of these Articles shall require the assent of members or proxies entitled to cast seventy-five percent (75%) of the entire vote of the membership.

Section 2. Amendment of Declaration Without Approval of Owners. The Declarant, without the consent or approval of any other owner, shall have the right to amend these Articles to conform to the requirements of any law or governmental agency having legal jurisdiction over the Property or to qualify the Property or any lots and improvements thereon for mortgage or improvement loans made or insured by a governmental agency or to comply with the requirements of law or regulations of any corporation or agency belonging to, sponsored by, or under the substantial control of, the United States Government or the State of North Carolina, regarding purchase or sale in such lots and improvements, or mortgage interests therein, as well as any other law or regulation relating to the control of Property including, without limitation, ecological controls, construction standards, aesthetics, and matters affecting the public health, safety and general welfare. A letter from an official of any such corporation or agency, including, without limitation, the Veterans Administration, U. S. Department of Housing and Urban Development, the Federal Home Loan Mortgage Corporation, Government National Mortgage Association, or the Federal National Mortgage Association, requesting or suggesting an amendment necessary to comply with the requirements of such corporation or agency shall be sufficient evidence of the approval of such corporation or agency, provided that the changes made substantially conform to such request or suggestion.

No amendment made pursuant to this Section shall be effective until duly recorded in the Secretary of State's Office and the Office of the Register of Deeds of Brunswick County.

ARTICLE XII

INCORPORATOR

The name and address of the incorporator is as follows: Charles L. Hinton, III, 1155 Kildaire Farm Road, Post Office Box 550, Cary, Wake County, North Carolina 27511.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of North Carolina, the undersigned, as incorporator, has executed these Articles of Incorporation, this the 29th day of January, 1982.

 (SEAL)  
Charles L. Hinton, III

North Carolina  
Wake County

I, Elizabeth H. Machen, a Notary Public, do hereby certify that Charles L. Hinton, III, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

This the 29th day of January, 1982.

My commission expires: 7/24/85

  
Notary Public



EXHIBIT A

Being all of the tracts or parcels located on Bald Head Island, Smithville Township, Brunswick County, North Carolina as follows:

A. Stage I, as shown on the following recorded maps:

- Map Book 12, Pages 1-11, 14-17, 36, 37 and 39
- Map Cabinet J, Pages 178-184 and 319
- Map Cabinet I, Page 373
- Map Cabinet L, Page 195
- Map Cabinet M, Pages 84, 85 and 86

Bald Head Inn tract as described in Deed of Trust recorded in Book 288, Page 470, as amended by Modification Agreement recorded in Book 342, Page 129, both of Brunswick County Registry.

- B. A 4.944 acre parcel conveyed to Robin Hayes by Deed dated August 12, 1977, recorded in Book 379, Page 583, Brunswick County Registry.
- C. Middle Island and 2,000 feet of ocean frontage adjacent thereto conveyed to Young Realty Company by Deed recorded in Book 399, Page 448, Brunswick County Registry.

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SOSID: 0009460  
Docket No. A-41, Sub 21  
Date Filed: 1/2/2018 9:51:00 AM  
Briggs Exhibit 21  
North Carolina Secretary of State  
C2018 002 00034

State of North Carolina  
Department of the Secretary of State

ARTICLES OF AMENDMENT  
NONPROFIT CORPORATION

Pursuant to §55A-10-05 of the General Statutes of North Carolina, the undersigned corporation hereby submits the following Articles of Amendment for the purpose of amending its Articles of Incorporation.

1. The name of the corporation is: Bald Head Association

2. The text of each amendment adopted is as follows (*state below or attach*):  
See Exhibit A attached hereto and incorporated herein by reference.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. The date of adoption of each amendment was as follows: March 29, 2017, upon the resumption of the  
adjourned January 28, 2017 annual meeting of the membership, to take effect upon the merger  
of Bald Head Stage Two Association, Inc. into Bald Head Association as evidenced by the filing  
of Articles of Merger.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. (*Check a, b, and/or c, as applicable*)  
a.  The amendment(s) was (were) approved by a sufficient vote of the board of directors or incorporators, and member approval was not required because (*set forth a brief explanation of why member approval was not required*)  
\_\_\_\_\_  
\_\_\_\_\_

b.  The amendment(s) was (were) approved by the members as required by Chapter 55A.

c.  Approval of the amendment(s) by some person or persons other than the members, the board, or the incorporators was required pursuant to N.C.G.S. §55A-10-30, and such approval was obtained.

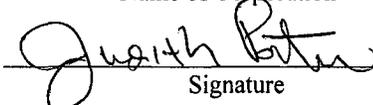
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5. These articles will be effective upon filing, unless a date and/or time is specified: \_\_\_\_\_

This the 21st day of December, 2017.

**Bald Head Association**

Name of Corporation



Signature

**Judith Porter, President**

Type or Print Name and Title

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Notes:

1. Filing fee is \$25. This document and one exact or conformed copy of these articles must be filed with the Secretary of State.

**EXHIBIT A**

Article IV is hereby amended in its entirety as follows:

**ARTICLE IV**

**PURPOSE OF THE ASSOCIATION**

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for beautification, maintenance, preservation, and architectural control of the exterior of the single family homes, multi-family units and non-residential areas, the residence lots, assessable properties and the common areas within those certain tracts of property described as:

- (a) Such property which now is or which in the future becomes subject to the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Bald Head Association recorded in Book 1359, Page 1 of the Brunswick County Registry, as amended, and as the same may from time to time be amended in the future;
- (b) Such property which, as of January 28, 2017, is subject to the Protective Covenants for Bald Head Island Stage Two recorded in Book 1045, Page 676, Brunswick County Registry, as the same has been amended and corrected; and
- (c) Such property as may be annexed by approval of the Board pursuant to the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Bald Head Association recorded in Book 1359, Page 1 of the Brunswick County Registry, as amended, and as the same may be from time to time amended;

and to promote the health, safety, and welfare of the residents within the above-described property and any additions thereto that hereafter may be brought within the jurisdiction of this Association for this purpose.

**From:** Bald Head Association <[pam@baldheadassociation.com](mailto:pam@baldheadassociation.com)>  
**Date:** August 15, 2022 at 4:03:15 PM EDT  
**To:** [REDACTED]  
**Subject:** BHI - BHA Survey: Ferry/Transportation System — 8/15/22  
**Reply-To:** [pam@baldheadassociation.com](mailto:pam@baldheadassociation.com)



**Bald Head Association**  
**Monday, August 15, 2022**

## **Update on the Lawsuit by the Village of BHI Regarding the Parking Lot and Barge**

Bald Head Association (BHA) is seeking BHI property owners' opinions. Please answer just two questions, in addition to any comments you would like to include, by Tuesday, August 23, by clicking on the survey link below the following information.

On February 16, 2022, the Village of Bald Head Island filed a lawsuit against Bald Head Island Limited with the North Carolina Utilities Commission (NCUC) asking the NCUC to exercise regulatory authority over the parking lot and the barge and, therefore, regulate the fares that could be charged to park at the ferry landing or to use the barge.

Since the BHI Ferry System began, the fares for the ferry and tram have been regulated by the NCUC. The fares for the parking lot and the barge have not been regulated by the NCUC.

The Village wants to change that so the NCUC will hereafter exercise jurisdiction over the parking lot and barge so the NCUC will then regulate the rates.

This matter is set for hearing before the NCUC on October 10, 2022.

We have kept you up to date on all the relevant filings with the NCUC regarding this matter.

We, the BHA, have intervened in this proceeding in order to be able to speak on behalf of the BHA, if we conclude it becomes appropriate for us to do so.

It would assist us to know your views on this matter.

We have identified some possible advantages for regulation of the parking and barge and some possible disadvantages. As the facts are complicated and reasonable people can differ on what is the better result, people can differ on the advantages and disadvantages.

By listing possible advantages and disadvantages, we do not mean to suggest our views on what we think or suggest. We only want to list some obvious points and get you thinking about this so we can elicit your thoughts and views.

Do not ascribe any significance to the fact that our explanation of the the possible disadvantages is longer than the possible advantages. Some explanations just take more words. Nothing more should be inferred.

## **Possible Advantages and Disadvantages of Public Regulation of the Parking and the Barge**

### **Possible Advantages:**

1. There would be some level of assurance that the rates that are charged by the owner of the parking lot and/or barge will be reasonable and limited to cost recovery and a reasonable profit.
2. The process for increasing rates would be open, public, transparent and predictable.
3. The home and lot owners would have the ability to participate in the rate-changing process.
4. The NCUC rate-setting process is quite complex. There is a possibility that if regulated, the permitted returns and asset valuations would be such that the existing fees could actually be lowered from what they are today.

### **Possible Disadvantages:**

1. Since the beginning of the ferry and tram for BHI, the parking lot and the barge have been owned and operated by a private business, BHI Limited. The rates have been reasonable. SharpVue, also a private business, indicated it would carry on service substantially as it has been and only increase rates consistent with inflation. All appears to be set up for an orderly and reasonable ownership transfer from BHI Limited to SharpVue.

Public regulation of the parking lot and the barge could change things significantly. For example, the NCUC might disallow the dedicated premium parking lot and require so-called first-come, first-served parking. In addition, the return criteria and asset valuations could possibly be set at a level so low that we could possibly lose SharpVue as the buyer.

2. If the Village were ultimately to buy the Ferry Transportation System, as it wants to do, we, the real property owners on Bald Head Island, will have personal liability for increased real estate taxes to pay any losses suffered by or needed by the Village in operating the Transportation System.

In addition, if the Village buys the Ferry Transportation System with the General Obligation Bonds as it intends to do, you will only be able to sell your lot and/or your home during the 30-year life of the bond to a buyer who is also willing to assume that risk.

If SharpVue buys it, the real property owners have no risk of increased real property taxes based on the Ferry Transportation System and no personal liability for any losses incurred by the Ferry Transportation System.

3. If the system becomes regulated at a level that SharpVue is willing to accept, the cost of administrative compliance for a regulated company is high. There is much

legal, administrative detail and compliance cost just to meet the regulatory demands. That cost will ultimately be passed on to the consumer in either increased fares or lesser service.

4. Regulated returns might be set at a low level and provide a disincentive for SharpVue to spend additional capital to upgrade the ferry system.

These are just a few of the possible advantages and disadvantages of regulation of the parking lot and the barge.

## SURVEY LINK

At this time, we would like you to answer just two questions, in addition to any comments you would like to include, by **Tuesday, August 23**. All responses are anonymous. Click [HERE](#) for the survey.

**Thank you very much.**  
**The BHA Board of Directors**  
Alan Briggs, President  
John Kinney, Vice President  
Robert Drumheller, Secretary/Treasurer  
Jennifer Lucas  
Tiffany Williams  
Joe Brawner

## BHA News



*Don't miss!*

[August 2022 Island Report flipbook version](#)

[August 2022 Island Report PDF version](#)

## News

*Don't forget to periodically check BHA's News page for new posts! Click the button below.*

[Click HERE for BHA's News Web Page](#)

## Bald Head Association ~ YOUR property owners' association

### BHA Quick Links:

[2022 Meeting Schedule  
ARC Section A](#)

[2022 Meeting Schedule  
ARC Section B](#)

[2022 ARC Review Fees](#)

[BHA Committee Rosters,  
Bylaws Charges and  
Goals](#)

### Monthly BHA Board Meetings

BHA's Board of Directors invites property owners and others to view its monthly public meetings remotely via Zoom. Board meetings are typically held the second Friday of each month beginning at 11:00am EDT. Agendas, approved minutes of previous meetings and a link to the current monthly Zoom meeting can be found on the meeting information web page. Click on the link below to learn more.

The next regular BHA Board meeting public session will be Friday, September 9, 2022, at 11:00am.

[Click here to view BHA Board meeting information](#)

## BHI Website Links

<a href="#">Bald Head Association</a>	<a href="#">BHI Club</a>	<a href="#">BHI Conservancy</a>
<a href="#">Village of BHI</a>	<a href="#">Shoals Club</a>	<a href="#">Old Baldy Foundation</a>
<a href="#">BHI Ferry</a>	<a href="#">Maritime Market</a>	<a href="#">Village Chapel</a>

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<a href="#">Contact Us</a>	
<b>Bald Head Association</b> 111 Lighthouse Wynd PO Box 3030 Bald Head Island, NC 28461 910-457-4676 <a href="mailto:info@BaldHeadAssociation.com">info@BaldHeadAssociation.com</a> <a href="http://BaldHeadAssociation.com">BaldHeadAssociation.com</a>	<p><i>Like us! Share with others!</i></p> <p> </p> <p></p> <p>Share this link with someone not yet signed up for BHA's E-blast</p>



## 2022 Bald Head Association Member Opinion Survey

August 2022

On Wednesday, August 17, 2022, Bald Head Association (BHA) sent an email to Bald Head Island property owner members who have subscribed to its *Compass* email bulletin requesting that members share their opinions on whether the parking and barge operations should be regulated by the NC Utilities Commission. Property owners were offered an opportunity to share additional comments related to the survey as they so desired.

The original email and a follow up email sent on August 23, 2022, were sent to 1,546 subscribers of BHA's *Compass*. (Not all BHI's nearly 2,000 property owners have subscribed to BHA's email list.) The email included a link to the survey (attached), a brief description of the survey's purpose and a list of the advantages and disadvantages for regulating the parking and barge (attached). The survey's data was collected utilizing the online survey tool Survey Monkey.

BHI property owners were given 6 days to complete the survey. In total, 533 property owners completed the survey – a return rate of 34.5%. Two property owners requested that their opinion that was originally registered as “not enough information” be changed to “yes.” Seven non-property owners completed the survey, but their responses were not included in the analysis.

In total, of the 533 property owner responses, 381 support regulation of the parking/barge (71.5%), 83 do not support regulation of the parking/barge (15.6%), 15 don't have an opinion at this time (2.8%) and 54 don't have enough information at this time to form an opinion (10%). There were 188 comments offered by respondents. Names of individuals and any other personally identifiable information is redacted from the comments.

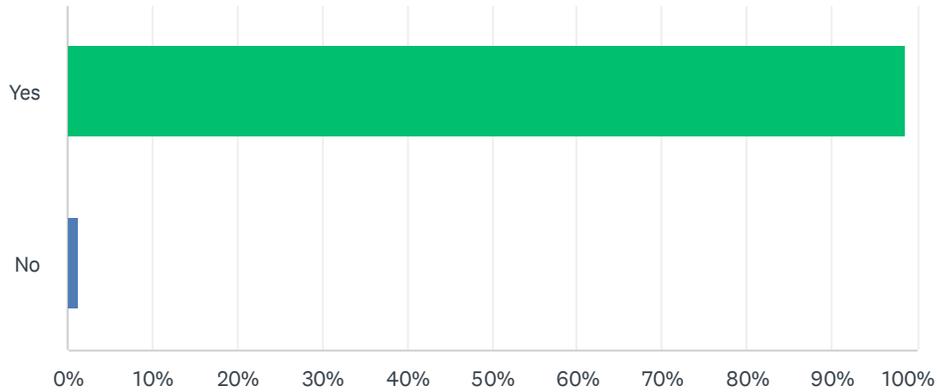
BHA requested verification of membership by a simple “yes” or “no” response. There were several instances where responses were sent from the same IP addresses. Those addresses are highlighted in the attached summary of the responses. Since many of those responses to the open-ended question were different, one might suppose that multiple owners within those households offered their varying opinions. Keep in mind that this opinion survey was designed to collect members' individual opinions and not individual votes tied to particular properties.

Of the seven responses from non-property owners, 3 supported regulation of the parking/barge, 2 do not support regulation of the parking/barge and 2 stated they did not have enough information at this time to form an opinion. Again, because the survey was intended to solicit BHA's members' opinions, those responses were not included in the analysis of the results.

It is important to note that this survey is a sampling of how a portion of BHI property owners feel about this specific issue within a certain time period. Regardless of whether the survey contains a statistically significant sample size, the survey's open-ended questions provide valuable information for BHA and others to understand the opinions of many of BHI's property owners.

### Q1 Are you a Bald Head Island property owner?

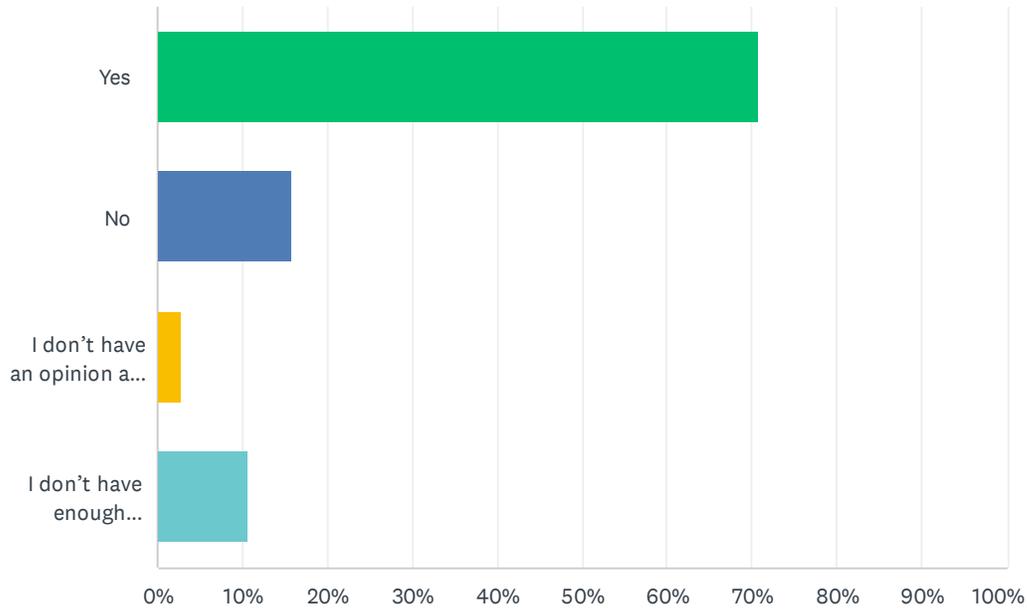
Answered: 540 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	98.70%	533
No	1.30%	7
TOTAL		540

## Q2 Do you want the North Carolina Utilities Commission (NCUC) to regulate the fares for the parking lot and the barge?

Answered: 533 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	71.5%	381
No	15.6%	83
I don't have an opinion at this time	2.8%	15
I don't have enough information at this time to form an opinion	10.1%	54
<b>TOTAL</b>		<b>533</b>

End Date	Are you a Bald Head Island property owner?	Do you want the North Carolina Utilities Commission (NCUC) to regulate the fares for the parking lot and the barge?	Please provide any additional thoughts, questions, suggestions or ideas you have about this lawsuit by the Village that you think might be helpful to us in representing BHA in this case:
	Response	Response	Open-Ended Response
2022-08-17 09:12:26	Yes	Yes	
2022-08-16 11:36:09	Yes	No	
2022-08-18 17:24:32	Yes	Yes	There is no a lawsuit! The Association should pay more attention to the details and get the facts correct.
2022-08-15 19:23:07	Yes	No	The village should buy or regulate the barge landing area on the island such that it is open to any barge, etc. that pays to load or onload at the site. The best control of costs is competition. If the barge costs get excessive, competitors will quickly appear.
2022-08-15 16:23:20	Yes	Yes	There is no a lawsuit! The Association should pay more attention to the details and get the facts correct.
2022-08-16 09:58:15	Yes	Yes	I am concerned that a private investment firm who states that they do not intend to run the ferry system will not be responsive to regulatory questions. I see no alternative but to ask for NCUC to regulate.
2022-08-17 15:00:21	Yes	Yes	A new private owner could increase the price beyond what is reasonable without any viable recourse.
2022-08-15 16:15:09	Yes	Yes	
2022-08-23 19:38:31	Yes	No	
2022-08-15 18:05:54	Yes	Yes	
2022-08-15 19:06:01	Yes	I don't have enough information at this time to form an opinion	What ever makes the most sense for the long term. There isn't but so much more land to build upon so whatever the math works out to that level of ownership- the best answer

2022-08-15 17:34:45	Yes	I don't have enough information at this time to form an opinion	
2022-08-15 19:07:53	Yes	Yes	
2022-08-16 17:01:44	Yes	Yes	
2022-08-16 20:05:29	Yes	Yes	
2022-08-17 21:08:05	Yes	Yes	
2022-08-17 10:23:13	Yes	Yes	
2022-08-18 06:10:27	Yes	Yes	
2022-08-15 18:20:37	Yes	No	
2022-08-16 13:24:37	Yes	Yes	
2022-08-15 16:45:09	Yes	I don't have enough information at this time to form an opinion	
2022-08-23 10:25:25	Yes	Yes	
2022-08-23 16:07:04	Yes	No	
2022-08-15 22:06:53	Yes	Yes	
2022-08-23 09:56:11	Yes	I don't have enough information at this time to form an opinion	I oppose the village's attempt to e ferry system and related assets. I am not convinced the village is capable of efficiently managing and running the system.
2022-08-15 21:05:54	Yes	I don't have enough information at this time to form an opinion	

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2022-08-16 13:15:07	Yes	I don't have enough information at this time to form an opinion	
2022-08-16 13:10:11	Yes	No	It seems the lawsuit is an attempt to stop the purchase as Sharpvue may lose any incentives to improve the System if barge and parking fares are regulated to a point that capital improvements are nominal.
2022-08-15 16:59:02	Yes	I don't have enough information at this time to form an opinion	
2022-08-15 17:07:43	Yes	I don't have enough information at this time to form an opinion	
2022-08-16 13:43:29	Yes	Yes	
2022-08-16 08:56:12	Yes	Yes	
2022-08-16 12:26:28	Yes	No	
2022-08-17 12:56:05	Yes	I don't have enough information at this time to form an opinion	
2022-08-23 10:04:56	Yes	Yes	My concern is a private owner will increase costs for profitability purposes, and since property owners/visitors have no alternative to the private owner they will be forced to pay the higher costs. The NCUC can protect property owner/visitors from the monopoly power of the private owner to keep costs fair and reasonable.
2022-08-16 19:08:45	Yes	Yes	

2022-08-15 16:50:33	Yes	I don't have enough information at this time to form an opinion	
2022-08-17 10:00:30	Yes	Yes	
2022-08-23 11:17:20	Yes	Yes	
2022-08-15 18:30:51	Yes	Yes	
2022-08-16 13:33:54	Yes	No	I am not persuaded by Mayor Quinn's explanation of his and Council's opinion on this matter. When I attended the informational meeting arranged by HOA I found responses by Limited's and SharpVu's representatives much more forthcoming and comprehensive than Mayor Quinn's. Mayor Quinn seemed unwilling or unable to answer even the simplest question about "the Village's" position. Because of this I feel none of their efforts are trustworthy. No one can predict for sure what the outcome will be but I feel it is more likely to be favorable if SharpVu is successful in its purchase and is allowed the opportunity to show us that their presentation of their intended business model is accurate and will result in a smoother transportation operation for island tax payers and other users of the system.
2022-08-23 10:42:48	Yes	Yes	
2022-08-23 11:18:43	Yes	Yes	
2022-08-17 13:10:55	Yes	Yes	
2022-08-16 12:31:11	Yes	Yes	
2022-08-16 12:41:06	Yes	Yes	
2022-08-16 08:32:35	Yes	Yes	
2022-08-17 12:03:04	Yes	Yes	
2022-08-16 12:22:01	Yes	Yes	
2022-08-16 15:30:36	Yes	I don't have an opinion at this time	Rescind the current offer to purchase and sell to the Transportation Authority.
2022-08-17 20:35:45	Yes	Yes	
2022-08-17 15:48:52	Yes	Yes	The ferry and its appurtenances — which include the parking lot and the barge — should be viewed as part of the overall transportation system of the state as well as the Island. To that extent, all should fall within the purview of the NCUC. Thanks to the BHA Board and dedicated staff for soliciting members' views on this matter.
2022-08-17 12:32:02	Yes	Yes	Allow NCUC to regulate rates. Consider two tier pricing for the ferry of owners vs. renters or visitors.

2022-08-15 16:16:18	Yes	Yes	
2022-08-15 17:08:18	Yes	I don't have an opinion at this time	
2022-08-23 13:50:13	Yes	Yes	Support the Village!
2022-08-15 17:53:34	Yes	Yes	
2022-08-15 19:37:32	Yes	Yes	
2022-08-16 09:35:43	Yes	Yes	
2022-08-16 05:51:31	Yes	Yes	
2022-08-23 13:21:43	Yes	Yes	
2022-08-16 16:05:47	Yes	Yes	
2022-08-17 17:48:35	Yes	Yes	
2022-08-16 13:39:49	Yes	I don't have enough information at this time to form an opinion	
2022-08-17 12:25:15	Yes	Yes	We have no guarantees on how long the SharpVue will own the system before selling it to another group. We could get rate increases every time it changes ownership. The cost is high now for the home owners. We should be getting a lower costs for transportation to the island than visiting people. All of this commotion makes many homeowners nervous about the long term solutions. Not everyone is a multi-millionaire on BHI. Some of us have saved for years to buy our homes on BHI. My family enjoys BHI very much. It is a beautiful, quiet, pet friendly place to truly unwind. We hope that the NCUC will regulate the costs for anyone who SharpVue sells the system to in the future.
2022-08-16 12:03:04	Yes	Yes	
2022-08-17 20:57:09	Yes	I don't have enough information at this time to form an opinion	Don't agree with the lawsuit
2022-08-17 17:01:01	Yes	I don't have an opinion at this time	

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2022-08-16 12:01:21	Yes	Yes	
2022-08-23 10:50:12	Yes	Yes	I have not been happy with service since this sale. Would appreciate more reliability/consistency associated with ferry service. Considering sale of property.
2022-08-23 10:58:39	Yes	I don't have an opinion at this time	I have paid very close attention to this issue, attended meetings, listened to calls, etc and I do not know how to vote on this!! I am clearly very interested in Deep Point's operations and parking costs staying fair and balanced. But I have heard compelling arguments from both sides for and against NCUC oversight. The last thing I want to do is anything to negatively impact the sale of the ferry system - the village's ignorant and bull-headed efforts to purchase the system have poorly impacted each and every homeowner and business owner on the island and we need to get this next-best deal done and get on with our lives. The BHA must do all it can to
2022-08-20 10:14:25	Yes	Yes	I appreciate the list of advantages and disadvantages for all oversight aspects of the transportation system. Most important to us, however, is the protection of our BHI property. Without that transportation, access to the island and our home is severely limited. Yet... to high a price structure - or restrictions to park at the Deep Creek site - are "threats" to our community as well. Taking all of that into consideration, we feel most protected by a State regulated oversight authority, compared to the unregulated profit motives of a for-profit company.
2022-08-16 10:06:56	Yes	I don't have enough information at this time to form an opinion	
2022-08-15 16:23:51	Yes	Yes	
2022-08-17 18:58:57	Yes	Yes	
2022-08-23 13:55:33	Yes	No	
2022-08-16 11:59:59	Yes	Yes	
2022-08-23 09:57:33	Yes	I don't have enough information at this time to form an opinion	I believe I understand why the Village has filed a request to protect the parking and barge - legally combining these two parts with the ferries ... I also feel that being able to sell one portion of this equation without the others could be quite detrimental to this island. Furthermore, I feel that the lack of consistent facts on this potential sale (use of NDAs, suggested pros and cons that are hypothetical, etc) has been disappointing.
2022-08-16 16:32:41	Yes	No	
2022-08-23 16:10:00	Yes	Yes	
2022-08-16 14:54:36	Yes	Yes	

2022-08-15 17:34:39	Yes	Yes	
2022-08-16 12:34:49	Yes	No	
2022-08-17 00:12:21	Yes	No	The Village of BH has done a very poor job of running existing smaller utility departments. Their intervention in this process has caused many of the existing problems. The BHITA was a much better alternative to the current situation. In no way would I support current Village Government owning or running the Ferry, Barge and Parking systems.
2022-08-16 07:59:34	Yes	Yes	
2022-08-23 09:47:34	Yes	Yes	
2022-08-23 10:25:27	Yes	Yes	Since the death of George Mitchell and the virtual abandonment of the properties on Bald Head Island, the ferry has been poorly, the terminal has been inadequately maintained. The bathrooms have been a mess. The trims have been allowed to run with broken mufflers, allowing exhaust to infiltrate the Cabins behind where passengers sit. Clearly, more regulation is needed and not less.
2022-08-15 19:10:14	Yes	Yes	
2022-08-15 21:48:54	Yes	Yes	
2022-08-16 12:06:15	Yes	Yes	
2022-08-15 16:29:36	Yes	Yes	Since the transportation system (ferry, tram, barge and parking) are so integral to the access of the island, and therefore the island economy, the island owners, visitors and workers should accept a fair cost of traveling to and from the island. I believe the best way to ensure the costs remain fair is to be regulated by an independent body. The NCUC is in the best position to oversee the fare structure.
2022-08-17 01:36:37	Yes	Yes	
2022-08-16 12:09:06	Yes	Yes	
2022-08-17 20:54:46	Yes	Yes	I will separately send communication to BHA.
2022-08-16 11:35:12	Yes	Yes	As a homeowner, I do not want the premium parking to stop. I pay for the advantage of parking close and knowing I will have a parking spot. If this goes to "first come, first serve" who is to say the realtors will not buy many spots to offer to their clients? Do we want to offer more benefits to renters than homeowners?
2022-08-16 16:11:01	Yes	Yes	
2022-08-17 23:29:23	Yes	Yes	
2022-08-23 10:41:47	Yes	No	
2022-08-23 19:03:15	Yes	Yes	
2022-08-16 12:24:09	Yes	Yes	This has worked well in the past so let's continue
2022-08-15 19:44:03	Yes	Yes	
2022-08-23 12:04:20	Yes	Yes	

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2022-08-15 17:42:34	Yes	Yes	I believe that the transportation system should be part of the Village (similar to other Village departments). However, since the transportation system has been sold to a third party, I believe that both the BHA and the Village should work with the new owners, representing their various stakeholder interests.
2022-08-15 17:23:16	Yes	Yes	
2022-08-15 17:22:12	Yes	Yes	
2022-08-23 12:33:47	Yes	Yes	
2022-08-23 18:33:09	Yes	Yes	It's not a lawsuit and BHA's positioning on this matter is slanted and biased.
2022-08-16 16:39:10	Yes	Yes	
2022-08-17 13:33:36	Yes	Yes	
2022-08-18 15:54:51	Yes	Yes	my concern is Sharp Vu pulling out of the current contract.
2022-08-16 06:51:29	Yes	No	I would prefer the village stay out of ferry operations, a transportation authority remains the most reasonable choice
2022-08-15 16:49:41	Yes	No	Cost to the property owners and time it will take do nothing but delay further moving forward with any improvements in the system. We are already approximately 2 years behind where we could have been if the BHITA had purchased the system as planned.
2022-08-23 10:36:21	Yes	Yes	
2022-08-19 15:42:17	Yes	Yes	
2022-08-16 15:06:54	Yes	Yes	
2022-08-16 12:00:47	Yes	Yes	
2022-08-17 14:46:55	Yes	I don't have an opinion at this time	
2022-08-15 19:12:24	Yes	Yes	
2022-08-16 06:52:40	Yes	Yes	
2022-08-16 10:46:20	Yes	Yes	
2022-08-15 16:15:49	Yes	Yes	
2022-08-23 09:59:06	Yes	Yes	
2022-08-23 19:01:29	Yes	Yes	
2022-08-17 21:40:26	Yes	Yes	The fact that BHA continues to call this a "lawsuit" is absolutely appalling to me. The action of the Village is not a lawsuit, so I would greatly appreciate if BHA would refer to the situation using the correct terminology to avoid creating confusion among the home owners.
2022-08-15 16:38:37	Yes	Yes	I think that the information you have provided is misleading and confusing. You should try to do better.
2022-08-17 13:24:50	Yes	No	Please tell the Village to stop meddling - the. BHITA was the best solution

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2022-08-17 13:05:17	Yes	Yes	
2022-08-15 17:19:25	Yes	No	I favor small government and a free market economy.
			My wife and I have owned an unimproved lot on Bald Head since 1996. We love to visit the island at least once a year and have been doing so since we purchased our property. As far as this Ferry/Parking lot/Barge nonsense is concerned, we of course, side with the BHA's position regarding this matter. However, we strongly believe that the number one enemy of the future of our beloved island paradise is the ridiculous wind farm that is planned off of the coast of Bald Head. We have been all over the German countryside and have witnessed countless wind turbines in various states of disrepair and failure, with many fallen over with parts strown about the countryside. Our beautiful beaches, not just on Bald Head, but other parts of the NC coastline, will suffer the consequences. The beautiful night sky that we, as well as tourists, love to marvel at, will be blotted out by the FAA mandated aviation anti-collision lighting and nautical anti-collision lighting. In our opinion, allowing a wind turbine farm to be constructed near a major shipping channel and in the middle of an area of the ocean frequently struck by destructive hurricanes, is ignorant and stupid at best. We feel that this wind farm idea is the single largest threat to Bald Head and the rest of our beautiful coast here in the great state of North Carolina. This ferry/parking lot/barge mess is of minor consequence in our opinion. But we do support the BHA's position on the subject at hand. We just feel that the wind farm project is of extreme importance compared to anything else concerning the future of Bald Head Island.
2022-08-16 14:57:42	Yes	No	
2022-08-16 20:46:31	Yes	Yes	
2022-08-17 18:37:28	Yes	Yes	
2022-08-17 22:40:22	Yes	Yes	
2022-08-16 13:45:55	Yes	Yes	SharpVue is a third party that does not have a vested interest in the island as Limited once did. While I am generally believe in minimal regulation, in this context some degree of regulation consistent with that of the ferry is a greater protection than risk posed by an unregulated system.
2022-08-16 08:57:17	Yes	Yes	
2022-08-15 21:05:33	Yes	Yes	
2022-08-15 16:09:56	Yes	Yes	
2022-08-15 18:25:55	Yes	Yes	
2022-08-17 20:15:14	Yes	Yes	
2022-08-17 18:51:49	Yes	Yes	
2022-08-17 15:13:12	Yes	Yes	
2022-08-17 18:36:40	Yes	Yes	

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2022-08-23 11:23:43	Yes	Yes	I wish the BHA did a more thorough job of researching this issue before sending out its survey or tried to appear somewhat unbiased on the issue. You are doing a great disservice to the BHI residents by distributing incomplete/inaccurate information. I expect better from my elected representatives. You are losing any credibility you have with informed residents.
2022-08-18 10:13:37	Yes	Yes	Please be more thorough and unbiased in your communications to Association members. The memo from the Mayor explains more in-depthly exactly what is in front of the NCUC
2022-08-15 16:53:43	Yes	I don't have enough information at this time to form an opinion	
2022-08-23 10:30:25	Yes	Yes	
2022-08-15 16:19:57	Yes	Yes	
2022-08-18 13:23:33	Yes	Yes	
2022-08-16 16:43:57	Yes	Yes	
2022-08-17 18:53:47	Yes	Yes	
2022-08-16 07:12:24	Yes	Yes	
2022-08-15 17:09:22	Yes	Yes	Sharpvue has zero vested interest in the common welfare of BHI. They are a completely outside venture capital group. Venture capital groups have, but one interest profit. It is imperative that there is complete regulation of their ownership. It is ludicrously naive to think that they will do the best for the island if given their own druthers.
2022-08-16 11:55:47	Yes	Yes	
2022-08-15 16:18:45	Yes	Yes	
2022-08-15 23:25:43	Yes	Yes	
2022-08-17 20:06:06	Yes	Yes	It's not a lawsuit. You are misrepresenting facts. Every homeowner at bhi has likely owned property in a city with GO bonds. You all are over selling the "personal liability" regarding the property taxes. Seems very biased.
2022-08-15 23:14:58	Yes	Yes	
2022-08-23 13:20:56	Yes	No	
2022-08-15 19:50:08	Yes	Yes	The Ferry transportation as well as the barge and parking, are all critical to the long term success and ultimate viability of the island. That is why it is critical that the NCUC must regulate the fares for the barge and parking lot just as they do with the ferry.
2022-08-23 09:45:59	Yes	Yes	The Ferry and it's parking are a monopoly with critical basic public transport and safety so should be regulated . The Commission should have the appropriate authority to regulate this.

2022-08-18 07:42:37	Yes	Yes	
2022-08-15 20:41:25	Yes	Yes	
2022-08-15 16:26:29	Yes	Yes	Regulation is essential to ensure that outside investors do not see these assets as an opportunity to gouge the residents, visitors and workers of BHI.
2022-08-15 19:33:46	Yes	Yes	
2022-08-18 14:32:13	Yes	No	The village is wasting tax payer money with this lawsuit and does not represent the majority opinion of BHI homeowners (the ones who are informed about the issue at least).
2022-08-15 22:15:50	Yes	Yes	
2022-08-16 13:52:13	Yes	Yes	
2022-08-23 11:26:29	Yes	Yes	
2022-08-23 09:46:24	Yes	I don't have enough information at this time to form an opinion	We are not sure of the priorities of the new owners with regards to reasonable profits verses the needs of the frequent users.
2022-08-23 10:49:07	Yes	Yes	
2022-08-16 12:16:07	Yes	Yes	
2022-08-16 12:28:58	Yes	I don't have enough information at this time to form an opinion	Privatization may have its advantages if there is adequate input from the people who are served. The balance of efficiency,administrative costs versus profit is difficult. Each sides aims and business models would allow one to make a clearer choice. As it stands now, it is choice of s who you trust.
2022-08-16 12:33:55	Yes	Yes	
2022-08-18 10:32:13	Yes	Yes	
2022-08-16 13:49:45	Yes	I don't have enough information at this time to form an opinion	

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2022-08-16 21:47:53	Yes	Yes	Ferries need to be kept in good working order to provide consistent on-time service in a pleasant environment. Ferries and tram service are the first impression visitors have of BHI. Trams are in terrible condition and need a major overhaul or replacement. Luggage handling needs to be improved so that users of the system don't have to unload the trollies to find their luggage.
2022-08-16 14:24:50	Yes	Yes	
2022-08-16 12:44:55	Yes	Yes	
2022-08-16 06:24:11	Yes	Yes	The ferry, barge and parking are a transportation system that sustains Bald Head Island. We as residents are dependent on all three equally, and are at the entire systems mercy with regards to rates and quality of service. If it makes sense to regulate one, then it makes sense to regulate all three. Please apply the same reasoning to regulating the parking and the barge that was used to decide to regulate the ferry.
2022-08-23 21:12:21	Yes	Yes	The wording of the possible advantages and disadvantages is slanted to cause one to believe that the NCUC regulating the fares for the parking lot and barge is a much riskier proposition. For example, stating that if the Village were successful in acquiring the transportation system and used GO bonds, you will not be able to sell your lot or home over a 30 yr period unless the buyer assumes the risk. Creates fear & anxiety.
2022-08-15 20:46:54	Yes	Yes	Private equity buys businesses to make money. They do that by increasing sales of decreasing costs. Both would be bad for homeowners and businesses on the island.
2022-08-23 14:06:41	Yes	Yes	Yes there advantages and dis advantages to the property owners owning the transportation system, just as there were positives and negatives to the owners owning the clubs. I am in favor of owning our future and running and managing the transportation system such that we are in charge of our destiny. Properly run, the transportation system should be a long term asses to the Island. If owned by a Venture Capitalist , they will look after themselves first and might consider the impact on the island afterward
2022-08-16 12:00:56	Yes	No	
2022-08-18 01:31:51	Yes	Yes	
2022-08-16 12:22:55	Yes	Yes	
2022-08-15 16:03:06	Yes	Yes	I fully support the actions of the Mayor and Village Council in this matter.

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2022-08-18 10:15:44	Yes	No	The Village's behavior in connection with the sale of the ferry has been outrageous and, to some extent, duplicitous. Having participated in the BHITA since it's inception, the Village decided to launch its own effort to purchase the ferry only after an agreement between BHIT and the BHITA had been agreed to. The Village launched its purchase effort without any consultation with, or input from, BHI property owners. The Village has incurred considerable expense, paid for with our tax dollars, without any meaningful consultation, or explanation HOW it would manage the transportation assets. As any regular user of the post office can attest, the Village is incapable of managing even that small asset. The Village's apparent slash and burn litigation strategy ensures that much needed improvements to the ferry system will continue to be delayed into the indefinite future.
2022-08-16 14:02:38	Yes	No	
2022-08-17 16:27:57	Yes	I don't have an opinion at this time	
2022-08-23 10:28:35	Yes	Yes	
2022-08-15 16:19:44	Yes	I don't have enough information at this time to form an opinion	
2022-08-16 18:24:09	Yes	Yes	
2022-08-18 10:51:30	Yes	Yes	
2022-08-23 13:00:10	Yes	No	The Village screwed up the Authority, now we are going to lose our annual parking? No one has taken the interests of the property owners during any of the process. Quite embarrassing.
2022-08-16 20:14:37	Yes	Yes	
2022-08-16 14:26:46	Yes	Yes	
2022-08-16 12:17:50	Yes	Yes	
2022-08-16 13:26:58	Yes	I don't have an opinion at this time	
2022-08-16 07:10:59	Yes	Yes	BHA should be supporting the Village

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2022-08-18 09:50:29	Yes		I don't have enough information at this time to form an opinion I don't have an opinion at this time
2022-08-16 16:29:37	Yes		
2022-08-16 11:08:45	Yes	Yes	We should not sell our transportation to the island to private equity. Spells disaster for us.
2022-08-17 20:14:32	Yes	No	
2022-08-16 14:02:22	Yes	No	
2022-08-16 14:39:53	Yes	Yes	
2022-08-16 15:41:01	Yes	Yes	To protect the economies of southern Brunswick County, the transportation system of BHI must be regulated.
2022-08-16 11:58:32	Yes	Yes	
2022-08-21 21:23:53	Yes	Yes	I think the Home Owners and the Village of BHI should own, operate, and manage the ferry, the barge, and parking lots for the owners of BHI. Thanks, [REDACTED]
2022-08-15 19:11:46	Yes	Yes	Without regulation the workers/employees will potentially pay an exorbitant price in their commute.
2022-08-15 17:12:23	Yes	Yes	The listed disadvantages seem contrived and exceedingly speculative. It is disappointing that the Association feels compelled to seek opportunities to weaken the Village in these negotiations rather than work collaboratively with the Village for the benefit of island property owners.
2022-08-15 16:23:06	Yes	Yes	The original utilities commission plan was reasonable. [REDACTED]'s intervention is the only reason there is an issue now
2022-08-23 14:38:13	Yes	Yes	
2022-08-17 11:02:44	Yes	Yes	
2022-08-23 11:23:30	Yes	No	I find it disturbing that language about the Village possibly purchasing the ferry continues to be included in communications such as this from the BHA. Without an offer from the Village under consideration by BHI Limited, the "wishes" of the Village are not an alternative to the current purchase by SmartVue. At some point, all parties need to focus solely on the proposal under consideration. The 'wishes' of the Village to be a contender in this business deal have been deemed unacceptable to the seller and BHI Limited has stated this repeatedly. It muddies the waters to continually treat the Village's 'wishes' as realistic.
2022-08-18 12:16:33	Yes	Yes	Regulation of parking and the barge is essential to the welfare and economic viability of the island.

2022-08-23 14:04:55	Yes	Yes	The ferry is the lifeline of BHI and we need to guard against price-gouging given that there are no viable alternatives for access to the island which could ensure competitive rates.
2022-08-15 16:06:06	Yes	Yes	
2022-08-15 17:11:49	Yes	Yes	
2022-08-16 11:59:53	Yes	Yes	
2022-08-22 09:51:18	Yes	Yes	
2022-08-16 12:54:59	Yes	Yes	
2022-08-16 12:43:01	Yes	No	The Authority should purchase, not a for profit entity. The Village cannot manage IPS , they should not attempt to manage the ferry system. Finally it is generally not wise to seek regulation.
2022-08-17 09:39:06	Yes	Yes	
2022-08-18 10:20:31	Yes	Yes	
2022-08-23 11:11:03	No	I don't have enough information at this time to form an opinion	
2022-08-15 16:09:48	Yes	Yes	
2022-08-23 11:16:54	Yes	Yes	
2022-08-16 13:18:39	Yes	Yes	
2022-08-17 21:01:53	Yes	Yes	Most, if not all, of the public ferry systems in NC transport passengers with their vehicles, and the state regulates the fees for passengers and vehicles. Bald Head Island is a unique situation, where cars do not make the journey to Bald Head with their passengers, but the cars must still be managed. In the case of Deep Point parking lots and the Bald Head Island Ferry, one cannot exist without the other. Both entities are tied together and should be regulated as such.
2022-08-22 15:06:06	Yes	I don't have enough information at this time to form an opinion	
2022-08-16 12:12:16	Yes	Yes	
2022-08-24 16:22:26	Yes	Yes	The village of BHI should own the transportation system
2022-08-15 17:42:44	Yes	Yes	

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2022-08-18 08:14:14	Yes	No	Government mandates and management of the system is not the answer and may have unintended consequences that impact overall satisfaction with the system. Free market economics is a better choice (even though it may cost a bit more). And investors are somewhat beholden to users of the system because ridership (and satisfaction with the system) needs to increase for investors to have a return on their investment.
2022-08-15 16:58:05	Yes	Yes	
2022-08-15 16:36:24	Yes	Yes	This has been a debacle. The village has wasted valuable resources and money and has caused the situation we are in; now we have live with their mess.
2022-08-15 16:52:38	Yes	Yes	
2022-08-23 16:28:59	Yes	Yes	
2022-08-23 10:35:21	Yes	Yes	I appreciate that the Village is being pro-active in asking for regulation for parking and the barge insuring that whomever owns/runs transportation will be subject to approved pricing.
2022-08-17 11:37:41	Yes	I don't have enough information at this time to form an opinion	The BHI ferry and transportation service is used exclusively for travel to and from a single destination, BHI. Property owners, employees, visitors and others have no other options for travel. As such the system should strive for efficiency and innovative improvements without being overly focused on profits. It should include reserves for future improvements and potentially offer discounts for employees traveling to/from employment on the island.
2022-08-17 10:54:07	Yes	No	
2022-08-23 10:57:00	Yes	Yes	
2022-08-23 11:52:44	Yes	Yes	As a homeowner I pay property taxes to the government. The only access to my home is via the ferry system. A private entity that has no accountability should not monopolize taxpayers' access to their homes. The system should be comparable to the other ferry systems in place in NC such as those who own property on Ocracoke
2022-08-23 09:37:14	Yes	Yes	It's a monopoly! Why shouldn't it be regulated? Why is the BHA carrying BHI Limited's water?
2022-08-17 03:29:33	Yes	Yes	
2022-08-15 16:17:28	Yes	Yes	
2022-08-23 20:46:29	Yes	Yes	
2022-08-16 22:05:18	Yes	Yes	
2022-08-16 11:55:39	Yes	Yes	I think it be best if the village owned it. They have more skin in the game than anyone
2022-08-17 09:06:51	Yes	Yes	
2022-08-16 08:06:00	Yes	Yes	
2022-08-16 09:40:37	Yes	Yes	
2022-08-21 16:35:32	Yes	Yes	Given the fact that the public has no choice about using the parking lot to reach Bald Head Island, the parking operation is a monopoly that should be regulated

2022-08-17 21:42:27	Yes	I don't have enough information at this time to form an opinion	
2022-08-23 10:47:13	Yes	No	Do not believe the sale of BHI Limited was made with the thought of the homeowners and property owners of BHI.
2022-08-22 17:35:12	Yes	Yes	It is essential to the residents of BHI to maintain an affordable ferry and parking system.
2022-08-16 09:12:29	Yes	Yes	The entire BHI transportation system is a commercially-owned monopoly and should be regulated as such. BHI property owners would be protected against monopoly price abuse and a new commercial owner could get on with making much needed improvements to the quality of BHI transportation services. BHI property owners would be protected against monopoly price abuse and a new commercial owner could get on with making much needed improvements to the quality of BHI transportation services. BHI property owners would be protected against monopoly price abuse and a new commercial owner could get on with making much needed improvements to the quality of BHI transportation services. All BHI residents, workers & visitors need to be protected against monopoly price abuse including degradation of facilities and service to maximize profits. The system is in need of significant improvements which the new owners should be incented to make by assurance of a fair but not excessive return on their capital.
2022-08-16 14:31:25	Yes	Yes	
2022-08-16 12:21:44	Yes	Yes	Your background on "disadvantages" is misleading and unbecoming of our property owners association board of directors.
2022-08-23 10:36:57	Yes	Yes	Regarding Premium parking, it is more likely that the NCUC will allow for differentiated parking pricing based on usage just as they have for the ferry with the Annual Pass. The more you use it, the less you pay per trip/parking day. And the scare tactic of insinuating that SharpVue may step away from the transaction if parking and barge are regulated, you seem to forget that the petition to regulate parking and barge was filed with the NCUC in February, over three months before the SharpVue deal was announced. They are well aware regulation of parking and barge is a serious possibility and they are smart enough to have negotiated contingencies in the deal. If not, are they who we want owning/operating the system?
2022-08-15 16:51:42	Yes	Yes	
2022-08-16 10:42:34	Yes	Yes	I don't understand why the BHA isn't strongly in favor of protecting the interest of BHI homeowners by strongly getting behind the effort to regulate. Regulating parking and barge protects property owners no matter who owns the ferry.

Bald Head Association  
 Property Owner Survey - Parking/Barge Regulation - August 2022

Docket No. A-41, Sub 21  
 Briggs Exhibit 4

2022-08-17 13:29:39	Yes	Yes	
2022-08-15 16:35:44	Yes	Yes	
2022-08-15 17:32:04	Yes	Yes	
2022-08-16 12:15:40	Yes	Yes	This will protect all property owners from any future owners of the parking areas and barge
2022-08-23 22:31:45	Yes	Yes	It is in the best interest of the Village to have the Commission looking after the residents well being.
2022-08-16 09:35:19	Yes	Yes	
2022-08-16 14:25:54	Yes	Yes	
2022-08-22 23:50:47	Yes	Yes	
2022-08-15 16:13:12	Yes	Yes	
2022-08-15 19:29:19	Yes	Yes	
2022-08-16 19:34:20	No	No	
2022-08-23 15:51:44	Yes	Yes	
2022-08-16 12:49:57	Yes	I don't have enough information at this time to form an opinion	Full time residents should be allowed premium parking...don't let that go away
2022-08-16 08:09:33	Yes	Yes	
2022-08-15 16:58:25	Yes	Yes	
2022-08-23 15:49:27	Yes	Yes	
2022-08-17 17:53:30	Yes	Yes	
2022-08-16 08:10:09	Yes	Yes	
2022-08-16 15:30:03	Yes	No	
2022-08-16 11:57:45	Yes	Yes	
2022-08-16 11:57:10	Yes	Yes	
2022-08-15 16:56:05	Yes	Yes	
2022-08-19 14:14:09	Yes	Yes	
2022-08-15 18:01:25	Yes	I don't have enough information at this time to form an opinion	
2022-08-15 20:07:37	Yes	Yes	We need a regulated and fair pricing system to help the owners

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2022-08-23 10:34:53	No	Yes	
2022-08-16 14:43:33	Yes	Yes	Transportation system, in its entirety, is critical to property owners on BHI, as it is effectively a monopoly completely controlling access to the island!
2022-08-23 10:13:56	Yes	Yes	
2022-08-17 12:27:08	Yes	Yes	The luggage, tram, and ferry schedule need a major overhaul. Everyone is working very hard but they are woefully under equipped and under staffed. The ferry is NEVER on time anymore which is a huge sense of frustration for everyone involved. I'm very concerned about pricing for tickets and parking since both are already expensive. I'd also love to see water taxis or some other option when you need to get off the island in a hurry.
2022-08-16 13:22:53	Yes	Yes	
2022-08-23 09:41:46	Yes	Yes	
2022-08-15 16:52:12	Yes	Yes	Very disappointed that we did not have a chance to purchase system after all of the effort that was put forth.
2022-08-16 11:52:14	Yes	Yes	
2022-08-17 15:54:34	Yes	No	more regulation introduces unneeded complexity and potential unknown risks. plus my general sense is that ferry fares have been kept artificially low because revenue from parking and barge make up for any shortfall. if parking was regulated and maybe even reduced, wouldn't any buyer push a lot harder on ferry increases?
2022-08-16 19:39:38	Yes	Yes	
2022-08-16 11:50:59	Yes	I don't have enough information at this time to form an opinion	The system need upgrading and organization. Business on the island depends on the ferry for workers. Owners and renters depend on safe and affordable parking. Probably w/o any oversight those factors could become secondary to maximum profit.
2022-08-17 20:54:00	Yes	Yes	
2022-08-16 18:51:25	Yes	Yes	
2022-08-16 16:03:05	Yes	Yes	
2022-08-17 19:28:10	Yes	I don't have an opinion at this time	
2022-08-16 13:11:56	Yes	Yes	Need to have some sort of price increase control for ferry and parking
2022-08-15 16:58:23	Yes	Yes	
2022-08-17 21:35:20	Yes	Yes	

2022-08-20 20:22:38	Yes	I don't have enough information at this time to form an opinion	The island is growing and the powers that be should allow independent boats to operate while the ferry's run.
2022-08-16 12:29:33	Yes	Yes	We are at the mercy of transportation to and from the island. Our future prosperity is at risk if it is not controlled by the NC Utilities.
2022-08-21 14:49:07	Yes	Yes	The ferry system, along with parking and barge service is vital to BHI residents, visitors and people that work on the island. Having regulatory oversight is key to ensuring the ferry operates in a safe, effective and reliable manner.
2022-08-16 12:07:38	Yes	Yes	
2022-08-17 18:34:28	Yes	Yes	This is a legal question, not one of preference. The parking is an ancillary monopolistic service related to an already regulated Ferry system. The NCUC should regulate parking until such time as it is no longer ancillary and monopolistic. The barge fits the definition of a common carrier and should also be regulated.
2022-08-23 11:07:14	No	Yes	
2022-08-17 08:14:52	Yes	Yes	
2022-08-16 18:52:50	Yes	Yes	
2022-08-16 12:00:32	Yes	Yes	This is a very important issue and hoping the BHA advocates for the position of the homeowners in this matter.
2022-08-15 18:07:40	Yes	Yes	
2022-08-17 12:38:09	Yes	Yes	It is crucial the barge and parking are both regulated.
2022-08-16 11:27:24	Yes	Yes	
2022-08-16 10:09:05	Yes	Yes	This is the only viable option to protect the interest of island property owners and businesses!
2022-08-23 15:55:01	Yes	Yes	If the owners of the BHI transportation system do not have a vested interest in the viability of the island that the system serves there is no incentive to run the system in a manner that is fair to BOTH the owners of the system AND the island that it serves. What if the new owner wants to sell off the more lucrative portion of the system? Then what will be left will have to fend for itself; will it do so in a manner that remains fair to the homeowners, businesses and many workers whose current livelihood is based on working on the island.
2022-08-17 17:22:10	Yes	Yes	
2022-08-15 18:16:40	Yes	Yes	Not something BHA should be involved in.
2022-08-16 14:05:06	Yes	Yes	

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2022-08-20 11:27:31	Yes	Yes	NCUC will make sure the rates are high enough to 1- make reasonable profit on return, 2- have rates high enough for capital investment, 3- and still be lower than today. Survey was extremely slanted either on purpose or lack of good practices.
2022-08-24 07:23:15	Yes	Yes	Things are so costly as they are. Please help us owners to continue to love and support this piece of paradise.
2022-08-15 16:06:45	Yes	Yes	
2022-08-18 10:30:43	Yes	Yes	I am concerned about the perceived bias by the Association against the Villages involvement concerning the Transportation system. Suggesting to us that just because there were more questions concerning why the Village shouldn't own it as those questions took longer to explain does not negate an obvious bias against Village Involvement.
2022-08-17 14:44:53	Yes	Yes	
2022-08-16 08:50:26	Yes	Yes	
2022-08-15 16:13:16	No	Yes	Private transportation to the island should be continued.
2022-08-15 15:54:32	Yes	Yes	
2022-08-15 16:16:07	Yes	Yes	
2022-08-15 17:49:17	Yes	Yes	
2022-08-17 00:38:09	Yes	Yes	
2022-08-16 16:01:58	Yes	Yes	
2022-08-15 17:46:32	Yes	Yes	
2022-08-16 15:39:43	Yes	Yes	The complete Ferry system is essential to our existence on the island
2022-08-23 10:00:13	Yes	Yes	The Parking and Barge is in a monopoly situation and requires state oversight
2022-08-16 20:25:10	Yes	Yes	Regardless of the owner, concerns over potential monopoly pricing and lack of investment, as is now occurring in the ferry and tram operations, make State regulation of the entire transportation system (ferry, barge, parking) vital for BHI's future.
2022-08-16 17:16:30	Yes	Yes	
2022-08-16 08:06:31	Yes	Yes	
2022-08-16 11:50:34	Yes	Yes	
2022-08-17 07:22:27	Yes	Yes	
2022-08-16 18:28:17	Yes	Yes	
2022-08-17 07:19:54	Yes	Yes	
2022-08-17 19:30:47	Yes	Yes	
2022-08-15 21:11:10	Yes	Yes	Hopefully any bids for the system will include their initial and ongoing capital investment plans
2022-08-17 13:23:57	Yes	Yes	
2022-08-18 13:08:00	Yes	Yes	Parking and a ferry service at a reasonable fee are critical for the future of the Island
2022-08-17 17:33:01	Yes	Yes	

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2022-08-16 13:06:36	Yes	I don't have enough information at this time to form an opinion	
2022-08-17 11:11:17	Yes	Yes	I want to ensure it's run fairly and efficiently.
2022-08-16 12:02:39	Yes	Yes	
2022-08-23 10:25:44	Yes	Yes	
2022-08-15 17:43:25	Yes	No	
2022-08-15 16:13:04	Yes	No	
2022-08-23 14:14:43	Yes	Yes	Like the BHI passenger ferry, the Deep Point parking and barge operation are commercially owned monopolies and should be regulated as such. It's disappointing that the BHA doesn't seem to understand this.
2022-08-16 10:15:12	Yes	I don't have enough information at this time to form an opinion	While not a part of the current discussion, I would not want the BHI Ferry to be owned and operated as a part of the NC Ferry system. I like that the BHI ferry is privately owned, or potentially owned by the village of BHI. Under either type of ownership the owner has the incentive to provide good service to BHI property owners.
2022-08-23 10:29:15	Yes	Yes	
2022-08-16 13:22:07	Yes	Yes	
2022-08-23 17:40:04	Yes	No	
2022-08-23 13:17:21	Yes	No	
2022-08-17 16:51:03	Yes	I don't have enough information at this time to form an opinion	
2022-08-16 19:11:01	Yes	Yes	
2022-08-16 12:46:57	No	No	
2022-08-17 12:24:18	Yes	Yes	
2022-08-23 14:50:29	Yes	Yes	there is no mention of the Authority here. If SharpVue backs out, is the Authority no longer in the picture as well?

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2022-08-17 18:07:11	Yes	Yes	
2022-08-17 16:17:32	Yes	Yes	We believe that BHI should own and operate the ferry system, including the barge and the parking facilities so that the owners and businesses would be in control of an essential service that is key to the long term existence of the island.
2022-08-15 18:12:03	Yes	Yes	Thank you for keeping homeowners informed. Most appreciated.
2022-08-15 17:03:05	Yes	I don't have enough information at this time to form an opinion	
2022-08-15 16:48:21	Yes	Yes	
2022-08-15 23:08:00	Yes	I don't have enough information at this time to form an opinion	I would prefer the village own the transportation as it is closest to the issue and has the most at stake. I am leery of inviting government regulation since once it gets involved, you can not get rid of them. Also, the government does not allow us to have an arbiter if a debate arises. If the system is sold to a private firm, I foresee a big risk to this. Yes the system is currently owned by a private business, but they were deeply entrenched on the island. They were motivated to grow the island and attract new home owners as they were the primary developers on the island. A new company can say they plan to leave it the same, but they are buying a monopoly and can do anything they want, and we would need to comply. I noticed recently they are not allowing private boats to dock and ferry passengers. Was this done for the new owners? If so, it would indicate they are not operating with the islands best interest at heart.
2022-08-15 20:14:51	Yes	Yes	
2022-08-23 10:11:40	Yes	Yes	What are the long term plans for Sharp-Vue (5-7years). Who will be the next owner?
2022-08-17 12:23:00	Yes	Yes	
2022-08-23 09:43:26	Yes	Yes	
2022-08-17 17:58:26	Yes	I don't have enough information at this time to form an opinion	
2022-08-16 11:38:31	Yes	Yes	
2022-08-22 10:26:48	Yes	Yes	
2022-08-17 21:25:34	Yes	Yes	

2022-08-17 19:13:25	Yes	No	
2022-08-17 13:32:47	Yes	Yes	
2022-08-17 13:18:33	Yes	No	We don,'t need MORE GOV regulation.
			I don't have enough information at this time to form an opinion
2022-08-16 12:26:42	Yes	Yes	
2022-08-16 12:26:18	Yes	Yes	
			SharpVue being a private Equity investor will typically hold an asset for 8-10 years, the disadvantages do not come into effect until SharpVue sells, so no short-term (8-10 years) disadvantage by public regulation.
2022-08-15 17:11:49	Yes	Yes	
2022-08-15 18:31:33	Yes	No	
2022-08-15 17:54:54	Yes	Yes	
			While SharpVue represents publicly that they will not raise rates/fares above inflation, what prevents them from doing so? They are a private business, without the "on island" incentive as BHI Ltd had to keep the rates reasonable. BHI Ltd had an incentive to keep the rates reasonable in order to get people and products to the Island. What is SharpVue's incentive? We've all seen numerous times corporate promises to "not change anything" and to keep the "status quo," but after purchasing they immediately raise rates/fares and justify it by saying they had increased costs, etc that they did not anticipate. They are a private business buying the parking and barges for a reason; profit. Nothing less. What "built in" written, contractual assurances can the Village get? Also, if SharpVue is the purchaser, there MUST be the ability to have a private water taxi system (ala Uber/Lyft) that is permitted in order to compete with SharpVue.
2022-08-15 19:27:45	Yes	No	
2022-08-23 13:35:02	Yes	No	would like to control our cost structure vs. a state agency i want an orderly transfer without a significant hike in our parking and barge rates. These costs affect everyone and should not be considered lightly. Pass on the costs to renters if necessary and do not, under any circumstances, eliminate our premium parking.
			I don't have enough information at this time to form an opinion
2022-08-16 08:57:51	Yes	Yes	
2022-08-15 17:14:00	Yes	No	

2022-08-15 22:52:21	Yes	I don't have enough information at this time to form an opinion	we would prefer things to remain stable...based on the description we are not clear that either option affords that.
2022-08-15 17:20:01	Yes	No	At the group meeting a few weeks ago SharpVue indicated that it has a special group of investors for a long term 'hold' strategy which is a distinct advantage over a typical buy-sell approach. I believe this is an under-appreciated aspect of what SharpVue brings to the deal. More specifically to the question, the Village already has so many other significant issues and challenges that require immediate attention and should focus its limited resources on Village infrastructure, erosion and commercial development.
2022-08-15 16:31:07	Yes	Yes	I am not sure what BHA is trying to set up but n this information. It looks like a scare tactic to ok the sale. Tax hikes, and bond life, really. This note is weakly veiled threat.
2022-08-17 09:09:22	Yes	I don't have enough information at this time to form an opinion	The Association should stop spending time and money on this issue. This falls within the Village Council's scope. Stop spending and raising taxes on an issue that is best handled by the Village Council.
2022-08-16 17:06:45	Yes	I don't have enough information at this time to form an opinion	Limited was a good owner because it had a vested interest in the development of the island. The nature of the third party may be solely profits. It's frightening. Yet on the flip side I feel like the village is self serving to the full time residents. If the village was to purchase I think every property owner full time or never has equal voice if we have equal liability. I believe that is why you cannot get a full backing from the tax payers. If bald head had a referendum allowing representation with the taxation the village would receive more support. You want to make us liable without any decision making power. Homeowners that are not full time are caught between a rock and a hard place.
2022-08-23 09:55:30	Yes	I don't have enough information at this time to form an opinion	
2022-08-16 22:49:46	Yes	No	Thoughts. Will keep them to myself.
2022-08-16 10:07:17	Yes	Yes	

2022-08-16 08:57:59	Yes	No	
2022-08-15 17:30:06	Yes	Yes	
2022-08-23 11:42:09	Yes	No	We don't want our house subject to the liability of a Village-issued bond so it's important to not chase SharpVue away.
2022-08-16 12:24:15	Yes	No	The town is not under contract to purchase the ferry system . The town should stop wasting tax dollars chasing and arguing a point when they do not have a seat at the table. No one cared about the Mitchell family taking the financial hit during Covid shut downs - ask how much they lost during this time period.
2022-08-17 12:39:05	Yes	Yes	The owners on the island should bear the responsibility for the ferry system because ultimately the owners pay for the services (including contractors) who come to the island every day. I disagree with the prior statements I've hear about the ferry system serving the Southport community. The Southport community wouldn't come to the island to work without island owners / consumers who ultimately pay for fill their services, including their transportation.
2022-08-23 21:33:13	Yes	Yes	I fully support the actions of the Village
2022-08-23 09:58:46	Yes	No	This should be run by professional investors not the insular few that make decisions on the island. The "tax" of professional ownership and responsibility from private equity ownership far outweighs the risks of residents making mistakes and having liability.
2022-08-17 13:42:15	Yes	I don't have enough information at this time to form an opinion	I felt that the previous PROS and CONS were confusing and rambling. The afore mentioned points of consideration did not help me in making a decision regarding the advantages or disadvantages of NCUC regulation. That said, I am deeply concerned about the Village undertaking to finance, own, manage and maintain the ferry system.
2022-08-15 19:19:46	Yes	I don't have enough information at this time to form an opinion	not sure where to start. what makes us think that rates will change significantly once new owner takes over? do we have to file lawsuit at this stage? if the NCUC didn't have oversight of parking rates now, what makes BHA think that they would now? is there precedent for NCUC controlling parking rates? (if yes, where?)
2022-08-16 12:54:40	Yes	No	The Village is incapable of managing the transportation system. Fear-mongering about parking and barge is crazy.
2022-08-16 20:48:54	Yes	Yes	
2022-08-16 16:10:59	Yes	No	I would like to have an accounting of what the village has spent on legal fees thus far and exploring this non-option of buying the ferry system.
2022-08-16 16:09:07	Yes	Yes	

2022-08-16 16:03:19	Yes	No	I wish the Village would drop the law suit as it is costing property owners a lot of money in frivolous legal fees. I am truly disappointed in the Village Council. After watching the information session BHA hosted it was very clear Limited has been extremely patient with the Village and the Village has yet to make clear their actions. The Village did not come across with a clear plan and this very much concerns me as a full time resident. Many very smart, informed residents worked hard to make a clear, well thought out plan for the Transportation Authority of which some of its members were on the Village Council and those members irresponsibly caused the mess we are all now in. Let's move forward with regulating the Ferry and trams and NOT the parking and Barge.
2022-08-23 11:06:18	Yes	I don't have enough information at this time to form an opinion	
2022-08-15 17:17:07	Yes	No	Thoughts. Will keep them to myself.
2022-08-15 16:39:37	Yes	Yes	Seems to from this correspondence that the BHA Board is working on behalf of [REDACTED] & SharpVue rather than its members, its very purpose is to advocate for!
2022-08-16 05:21:28	Yes	No	If the parking is regulated and we lose annual parking passes, it would cost year round residents an additional \$4000 per vehicle. Is the Village or the Association willing to compensate us for this lost? Or do the property owners have to sue the Village or Association to get our money back? Just wondering if anyone is being proactive?
2022-08-17 18:41:11	Yes	Yes	Please do not stop the lawsuit.
2022-08-17 13:25:15	Yes	I don't have enough information at this time to form an opinion	My feeling is that islanders will pay for any elevated expense levels either directly or indirectly. The village should proceed with attempts at buying the system including parking and the barge. If that fails, we should investigate buying, long term leasing, or an option to lease suitable property in Southport to build a harbor if necessary.
2022-08-21 16:57:57	Yes	Yes	I support the Village's position. The ferry, barge and related parking are critical elements of infrastructure to the island and should be owned by the Village. They are as critical to the transportation infrastructure of the island as the road system. I would not support ownership of island roads by private entities. I do not support giving a non-island related private equity firm control over this infrastructure.
2022-08-17 19:13:20	Yes	Yes	

2022-08-15 21:28:06	Yes	Yes	OH MY!! Sharpvue said they'll carry on services as already in place. That means late ferries, broken down trams, not enough island parking and luggage handling. 40 more houses going up and transportation as usual is frightening. Please be sure that Sharpvue is a holding company. They don't have the money to invest. It's a group of private investors who have one goal...profit. [REDACTED] [REDACTED] I live here full time and have no problem with the village owning the transportation system. They will make it work for the homeowners. I am ashamed of the BHA weighing in on the elections and now on the purchasing of the ferry system as though you all have the inside track on what's best for all property owners. You have lost your credibility and should stay out of any legal assumptions or disadvantages on any decision going forward. At least this time you asked for an opinion. Let's see if you listen. Yes to price caps on our only way to park get home.
2022-08-16 16:51:15	Yes	I don't have enough information at this time to form an opinion	The village never should have got involved and tried to run the ferry. How much money have we spent on lawyers?
2022-08-23 09:52:00	Yes	No	
2022-08-23 09:51:01	Yes	No	
2022-08-15 16:47:35	Yes	No	Drop the law suit, stop wasting money on legal fees. Focus you efforts on limiting commercialization of Bhi
2022-08-15 21:30:01	Yes	Yes	
2022-08-16 12:43:35	Yes	Yes	
2022-08-15 16:12:20	Yes	Yes	
2022-08-23 11:21:45	Yes	Yes	
2022-08-15 17:52:28	Yes	Yes	I think private ownership with fee regulation by NCUC best alternative I am concerned about having a Private Equity firm running parking and barge runs. [REDACTED]
2022-08-17 13:33:10	Yes	Yes	[REDACTED] I'd like to know what commitments SharpVue made to those investors.
2022-08-15 19:24:02	Yes	Yes	
2022-08-15 20:24:28	Yes	No	
2022-08-17 14:45:08	Yes	Yes	
2022-08-17 14:46:22	Yes	Yes	Sharpvue is buying a monopoly. They have no l'm incentive to provide great service at reasonable prices. The village is us. We will have control of our own destiny.

2022-08-17 10:46:01	Yes	Yes	
2022-08-16 11:54:05	Yes	Yes	I find it a bit disingenuous to suggest that the Utilities Commission would step in and unilaterally overrule operating policies and practices supported by both the owner and customer. From what I've seen over the years, the Utilities Commission has done whatever Limited has asked them to do.
2022-08-17 07:50:51	Yes	Yes	Could the parking lot be purchased by the village?
2022-08-16 13:32:56	Yes	Yes	The NCUC is less driven by profits and will likely be a better arrangement for those of us with property on BHI.
2022-08-23 09:55:54	Yes	No	
2022-08-15 16:16:19	Yes	Yes	
2022-08-23 10:41:20	Yes	I don't have an opinion at this time	
2022-08-23 11:56:34	Yes	Yes	
2022-08-18 11:51:31	Yes	Yes	What will be the assessed value (or est. market value) of the real estate owned by the Mitchell interests after the asset sale to SharpeVue?
2022-08-23 20:34:27	Yes	No	we have seen that even getting on the agenda through the State Treasurer is another entry hurdle and disadvantage. They can stiff arm is any time they want, and have.
2022-08-17 18:11:59	Yes	No I don't have an opinion at this time	I do not believe this is a good idea for BHI property owners. The ferry system currently receives a subsidy from the parking operation. It stands to reason that ferry costs will increase dramatically if the barge and parking is regulated by the NCUC.
2022-08-17 09:41:42	Yes		
2022-08-23 10:43:28	Yes	Yes	Prospective purchaser's first responsibility is to investors and must answer to them.
2022-08-15 16:59:28	Yes	I don't have enough information at this time to form an opinion	
2022-08-19 07:38:20	Yes	No	
2022-08-18 22:43:41	Yes	Yes	
2022-08-15 16:27:33	Yes	Yes	The village just needs to stop wasting our money and realize they aren't going to buy the ferry system
2022-08-15 17:00:13	Yes	No	
2022-08-16 14:24:28	Yes	No	

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2022-08-16 13:43:25	Yes	Yes	The parking and the barge are essential to the proper functioning of the ferry and tram. They should be regulated as a single entity. Previous private ownership of the system by the island's developer in not relevant to situation in question. Limited/Transportation had an overarching objective to sell the island as a whole which kept things in check in regards to barge and parking. No such balancing objective exists with current proposal to sell system. Only regulation by NCUC can do that.
2022-08-16 13:37:36	Yes	Yes	
2022-08-15 16:15:33	Yes	Yes	
2022-08-15 17:10:46	Yes	I don't have enough information at this time to form an opinion	
2022-08-24 06:31:08	Yes	No	
2022-08-23 22:08:18	Yes	No	
2022-08-16 05:11:23	Yes	Yes	
2022-08-17 09:57:48	Yes	No	Currently like the ferry the way it is however the boats need to be updated and I feel the workers and contractor should have their on ferry that runs on the hour and not be mixed in with the visitors.. I have had training with Disney and I feel this is what they would do
2022-08-18 09:29:29	Yes	No	
2022-08-15 16:57:02	Yes	Yes	
2022-08-17 08:46:51	Yes	No	The desired sale of the ferry, trams, barge, parking et al has gone on for far too long. It's time to move forward. SharpVue appears to be the best buyer option to date. The Village has its hands full with its current responsibilities and BHI Limited has absolutely no intent to enter into a sale w/ the Village. While I am grateful to the Village for all it does, including their desire to buy the ferry/barge/parking/trams, they simply don't have the capability to run it. The potential tax exposure to home/landowners is far greater than the potential fare increases by SharpVue. the NCUC regulates the ferry cost today. If and when the barge or parking prices become an issue/problem, the matter can be addressed w/ the NCUC then. The Village's legal action to get the NCUC to govern parking + barge is pre-mature at this time and can be re-instated if need be. For now let's stand down on that and get the sale to SharpVue completed .
2022-08-16 16:47:12	Yes	I don't have an opinion at this time	
2022-08-16 11:57:24	Yes	No	

2022-08-15 18:13:48	Yes	No	Presently there are no funds set aside to replace ferries or trams most beyond useful lives. Unregulated parking fees provide the most available source without dampening property values.ty
2022-08-16 10:08:46	Yes	Yes	I think the barge, parking, and ferry operations should be owned by the Transportation Authority and regulated by the NCUC.
2022-08-15 20:13:07	Yes	No	
2022-08-15 16:12:37	Yes	Yes	
2022-08-16 23:18:26	Yes	Yes	
2022-08-15 16:30:21	Yes	No	
2022-08-17 14:54:21	Yes	I don't have enough information at this time to form an opinion	
2022-08-16 15:32:04	Yes	I don't have enough information at this time to form an opinion	
2022-08-15 16:36:24	Yes	I don't have enough information at this time to form an opinion	
2022-08-15 16:20:16	Yes	Yes	
2022-08-16 08:31:58	Yes	Yes	Ferry system is vital to the island all year long. fares and parking fees need to be reasonable to make living or travelling to BHI worth the cost.
2022-08-16 12:19:31	Yes	Yes	
2022-08-16 13:18:13	Yes	Yes	

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2022-08-15 16:37:32	Yes	I don't have enough information at this time to form an opinion	I feel this summary of advantages / disadvantages is mixing several issues (ferry & tram vs barge and parking). It also is very dependent on ownership. I have no interest in increased taxes or personal liability in anything
2022-08-15 20:50:11	Yes	Yes	From reading your "disadvantages" list, one might infer that you are more concerned about SharpVue's profits and perspective, than you are island residents. Regulating the parking and barge ultimately protects us more than SharpVue. And, if anything, protects us FROM SharpVue increasing prices for profits. You represent us not them.
2022-08-16 08:49:49	Yes	Yes	Regulation provides a guarantee of 'reasonable rates'. Every alternative is just a hope.
2022-08-17 08:25:39	Yes	Yes	If there were parking options I would support the private enterprise. This is geographically a monopoly.
2022-08-19 15:18:48	Yes	Yes	
2022-08-17 07:45:20	Yes	Yes	
2022-08-17 13:18:08	Yes	Yes	
2022-08-23 16:55:28	Yes	Yes	
2022-08-18 12:01:27	Yes	Yes	
2022-08-23 10:18:51	Yes	No	
2022-08-16 11:00:27	Yes	I don't have enough information at this time to form an opinion	What I want is a reasonably smooth transition that maintains the current Premium Lot.
2022-08-15 21:38:39	Yes	I don't have enough information at this time to form an opinion	

2022-08-17 21:17:16	No	I don't have enough information at this time to form an opinion	I work on BHI and am concerned about continuing access to parking (my employer pays for parking in the upper lot)
2022-08-16 11:59:49	Yes	Yes	My view is that if the parking and/or barge operations are not regulated, and those operations are transferred to an unregulated third party (such as SharpVue), then everyone will be subject to pricing set by an unregulated monopolist, when there is no viable alternative to either of these essential services - and no "market" of competitors to discipline the monopolist. How likely is it that SharpVue will actually hold these assets if they acquire them, rather than flipping (especially the parking), to someone is the business of running parking operations?
2022-08-15 17:37:18	Yes	Yes	I am interested in a private company taking this over, ONLY if homeowners finally get a break on the parking fees.
2022-08-15 16:25:30	Yes	Yes	
2022-08-23 12:03:47	Yes	Yes	
2022-08-15 16:04:45	Yes	No	Get the Village to Cease and desist. They are wasting out tax payer dollars.
2022-08-15 16:26:50	Yes	I don't have enough information at this time to form an opinion	Not sure whether the advantages outweigh the disadvantages. I feel very conflicted about this.
2022-08-15 16:46:26	Yes	Yes	
2022-08-15 18:02:59	Yes	I don't have an opinion at this time	The Village's behavior over the last 20 months has been, and continues to be, reprehensible. The best option for ownership - the Authority - was deep-sixed by [REDACTED] and now we face a range of bad alternatives with higher price tags - including expanding state regulatory authority into new areas of private enterprise. The major issue will be whether the NCUC has the authority to regulate. If so, fine. If not, we'll cope with private ownership. The BHA May as well stay out of a battle about statutory interpretation.
2022-08-18 23:31:43	Yes	Yes	
2022-08-17 12:51:23	Yes	I don't have an opinion at this time	I believe your statement in this email that property owners would be personally liable for the bonds the Village wants to issue to be unnecessarily inflammatory and misleading.
2022-08-15 17:14:40	Yes	Yes	

2022-08-23 12:04:47	Yes	I don't have enough information at this time to form an opinion	
2022-08-15 16:29:46	Yes	Yes	
2022-08-15 17:24:32	Yes	Yes	The parking lot and barge are critical components of the transportation system. The Association should be supportive of the Village. The revenue from the parking lot and barge belong in the same bucket as the ferry revenue. The Homeowners Association should fully support the Village in the Utilities Commission proceeding.
2022-08-16 14:18:12	Yes	Yes	
2022-08-15 17:33:24	Yes	Yes	Village should own and operate all parts of the transportation system including parking
2022-08-15 20:24:33	Yes	No	
2022-08-17 18:24:30	Yes	I don't have enough information at this time to form an opinion	It is difficult to follow The various options understand what ultimately would be best for the Island residence and visitors.
2022-08-16 15:28:18	Yes	Yes	
2022-08-16 08:47:09	Yes	No	The village's interference in the sale of the ferry system is a complete mystery to me. There is no way the BHI village is equipped to operate the ferry system.
2022-08-15 16:25:07	Yes	Yes	
2022-08-17 12:34:23	Yes	I don't have enough information at this time to form an opinion	
2022-08-15 16:14:40	Yes	Yes	I trust the village more than any other entity on the island
2022-08-16 12:38:30	Yes	Yes	
2022-08-16 10:27:25	Yes	No	
2022-08-15 17:15:34	Yes	Yes	
2022-08-15 16:09:23	Yes	Yes	

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2022-08-15 17:53:19	Yes	No	I think they should drop the lawsuit and let things progress with SharpVue without any further delay
2022-08-16 11:04:58	Yes	Yes	
2022-08-23 12:28:09	Yes	Yes	The parking and barge are monopolies ..... no real alternative for BHI owners. Rates should be regulated and limited to costs plus a reasonable return on investment.
2022-08-15 19:20:32	Yes	Yes	
2022-08-17 10:39:19	Yes	Yes	
2022-08-15 16:50:40	Yes	No	I don't want the village to purchase the ferry system
2022-08-15 16:20:36	Yes	Yes	
2022-08-16 21:02:58	Yes	Yes	This way an independent body without an interest in profit taking will ensure that the pricing remains fair.
2022-08-16 13:55:32	Yes	No	
2022-08-17 20:07:30	Yes	Yes	Thank you for the "attempt" to present to resent the facts impartially. In all honesty if this was truly the desire.....you failed miserably.
2022-08-17 18:38:29	Yes	I don't have an opinion at this time	I don't believe this is a matter for BHA. BHA should refrain from interfering in any manner. This is a village, not a BHA, matter.
2022-08-15 18:43:32	Yes	Yes	
2022-08-15 16:40:39	Yes	Yes	
2022-08-18 07:27:57	Yes	Yes	
2022-08-17 23:15:59	Yes	Yes	
2022-08-15 18:09:12	Yes	Yes	I proposed this regulation by the NCUC about 12 years ago when they met in general session here on BHI.
2022-08-17 21:37:12	Yes	No	
2022-08-15 20:57:57	Yes	No	The longer this drags on, the worse the service is going to get because we need new ferries and upgrades to the terminals and trams. None of that is going to happen until this is settled. The Village needs to reach agreement with BHI Ltd in the next two months.
2022-08-23 10:55:55	Yes	Yes	



## Ferry System: Parking and Barge

1. Are you a Bald Head Island property owner?

Yes

No

2. Do you want the North Carolina Utilities Commission (NCUC) to regulate the fares for the parking lot and the barge?

Yes

No

I don't have an opinion at this time

I don't have enough information at this time to form an opinion

3. Please provide any additional thoughts, questions, suggestions or ideas you have about this lawsuit by the Village that you think might be helpful to us in representing BHA in this case:

Done

DESKTOP

TABLET

PHONE

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See how easy it is to [create a survey](#).

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**Carrie Moffett**

**From:** Bald Head Association <pam+baldheadassociation.com@ccsend.com>  
**Sent:** Monday, August 15, 2022 4:03 PM  
**To:** Carrie Moffett  
**Subject:** BHI - BHA Survey: Ferry/Transportation System — 8/15/22

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**Bald Head Association**  
**Monday, August 15, 2022**

**Update on the Lawsuit by the Village of BHI Regarding the Parking Lot and Barge**

Bald Head Association (BHA) is seeking BHI property owners' opinions. Please answer just two questions, in addition to any comments you would like to include, by Tuesday, August 23, by clicking on the survey link below the following information.

On February 16, 2022, the Village of Bald Head Island filed a lawsuit against Bald Head Island Limited with the North Carolina Utilities Commission (NCUC) asking the NCUC

to exercise regulatory authority over the parking lot and the barge and, therefore, regulate the fares that could be charged to park at the ferry landing or to use the barge.

Since the BHI Ferry System began, the fares for the ferry and tram have been regulated by the NCUC. The fares for the parking lot and the barge have not been regulated by the NCUC.

The Village wants to change that so the NCUC will hereafter exercise jurisdiction over the parking lot and barge so the NCUC will then regulate the rates.

This matter is set for hearing before the NCUC on October 10, 2022.

We have kept you up to date on all the relevant filings with the NCUC regarding this matter.

We, the BHA, have intervened in this proceeding in order to be able to speak on behalf of the BHA, if we conclude it becomes appropriate for us to do so.

It would assist us to know your views on this matter.

We have identified some possible advantages for regulation of the parking and barge and some possible disadvantages. As the facts are complicated and reasonable people can differ on what is the better result, people can differ on the advantages and disadvantages.

By listing possible advantages and disadvantages, we do not mean to suggest our views on what we think or suggest. We only want to list some obvious points and get you thinking about this so we can elicit your thoughts and views.

Do not ascribe any significance to the fact that our explanation of the the possible disadvantages is longer than the possible advantages. Some explanations just take more words. Nothing more should be inferred.

## **Possible Advantages and Disadvantages of Public Regulation of the Parking and the Barge**

### **Possible Advantages:**

1. There would be some level of assurance that the rates that are charged by the owner of the parking lot and/or barge will be reasonable and limited to cost recovery and a reasonable profit.
2. The process for increasing rates would be open, public, transparent and predictable.
3. The home and lot owners would have the ability to participate in the rate-changing process.

4. The NCUC rate-setting process is quite complex. There is a possibility that if regulated, the permitted returns and asset valuations would be such that the existing fees could actually be lowered from what they are today.

### **Possible Disadvantages:**

1. Since the beginning of the ferry and tram for BHI, the parking lot and the barge have been owned and operated by a private business, BHI Limited. The rates have been reasonable. SharpVue, also a private business, indicated it would carry on service substantially as it has been and only increase rates consistent with inflation. All appears to be set up for an orderly and reasonable ownership transfer from BHI Limited to SharpVue.

Public regulation of the parking lot and the barge could change things significantly. For example, the NCUC might disallow the dedicated premium parking lot and require so-called first-come, first-served parking. In addition, the return criteria and asset valuations could possibly be set at a level so low that we could possibly lose SharpVue as the buyer.

2. If the Village were ultimately to buy the Ferry Transportation System, as it wants to do, we, the real property owners on Bald Head Island, will have personal liability for increased real estate taxes to pay any losses suffered by or needed by the Village in operating the Transportation System.

In addition, if the Village buys the Ferry Transportation System with the General Obligation Bonds as it intends to do, you will only be able to sell your lot and/or your home during the 30-year life of the bond to a buyer who is also willing to assume that risk.

If SharpVue buys it, the real property owners have no risk of increased real property taxes based on the Ferry Transportation System and no personal liability for any losses incurred by the Ferry Transportation System.

3. If the system becomes regulated at a level that SharpVue is willing to accept, the cost of administrative compliance for a regulated company is high. There is much legal, administrative detail and compliance cost just to meet the regulatory demands. That cost will ultimately be passed on to the consumer in either increased fares or lesser service.

4. Regulated returns might be set at a low level and provide a disincentive for SharpVue to spend additional capital to upgrade the ferry system.

These are just a few of the possible advantages and disadvantages of regulation of the parking lot and the barge.

## **SURVEY LINK**

At this time, we would like you to answer just two questions, in addition to any comments you would like to include, **by Tuesday, August 23**. All responses are anonymous. Click [HERE](#) for the survey.

**Thank you very much.**  
**The BHA Board of Directors**  
Alan Briggs, President  
John Kinney, Vice President  
Robert Drumheller, Secretary/Treasurer  
Jennifer Lucas  
Tiffany Williams  
Joe Brawner

## BHA News



*Don't miss!*

**August 2022 Island Report flipbook version**

**August 2022 Island Report PDF version**

## News

*Don't forget to periodically check BHA's News page for new posts! Click the button below.*

**Click [HERE](#) for BHA's News Web Page**

**Bald Head Association ~  
YOUR property owners' association**

**BHA Quick Links:**

**Monthly BHA Board Meetings**

BHA's Board of Directors invites property owners and others to view its monthly public meetings

[2022 Meeting Schedule  
ARC Section A](#)

[2022 Meeting Schedule  
ARC Section B](#)

[2022 ARC Review Fees](#)

[BHA Committee Rosters,  
Bylaws Charges and Goals](#)

remotely via Zoom. Board meetings are typically held the second Friday of each month beginning at 11:00am EDT. Agendas, approved minutes of previous meetings and a link to the current monthly Zoom meeting can be found on the meeting information web page. Click on the link below to learn more.

The next regular BHA Board meeting public session will be Friday, September 9, 2022, at 11:00am.

[Click here to view BHA Board meeting information](#)

## BHI Website Links

[Bald Head Association](#)

[Village of BHI](#)

[BHI Ferry](#)

[BHI Club](#)

[Shoals Club](#)

[Maritime Market](#)

[BHI Conservancy](#)

[Old Baldy Foundation](#)

[Village Chapel](#)

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