

SUPPLEMENTAL DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
THE PENINSULA
AT HARBOUR VILLAGE

This Supplemental Declaration is dated for purposes for reference only this 1st day of APRIL, 1999, and is entered into by Bald Head Island Limited, a Texas limited partnership, hereinafter referred to as "Declarant."

WITNESSETH:

WHEREAS, Declarant is the owner of all of Lots 200 - 224 (even numbers only), Bald Head Island Harbour, as shown in Map Cabinet Y, Page 313, Brunswick County Registry, as well as all rights-of-way and certain other properties shown on said plat, said rights-of-way and other properties being currently unimproved; and

WHEREAS, said Lots above described have been made subject to the amended and restated Declaration of Covenants, Conditions and Restrictions for Bald Head Island Harbour recorded in Book 985, Page 384 et seq., as amended, Brunswick County Registry ("Covenants"); and

WHEREAS, Declarant, in accordance with the reservation of rights set out in Article XI of the Covenants, has, with the consent of the Village of Bald Head Island, resubdivided Lots 200 - 224 (even numbers only), and has recorded a plat of said resubdivided Lots (numbered 200 - 220, even numbers only, and 207 - 219, odd numbers only), which plat is recorded in Map Cabinet 21, Page 79, Brunswick County Registry (the "Revised Lots" and the "Revised Plat"); and

WHEREAS, the Revised Lots are subject to the Covenants; and

WHEREAS, Declarant wishes to subject the Revised Lots to additional and supplemental covenants as more fully set out herein:

NOW, therefore, it is hereby declared by Declarant that all of the property shown on the Revised Plat, to be known as "The Peninsula at Harbour Village", shall be hereafter held, owned and conveyed subject to the provisions of this Supplemental Declaration, all of which are for the purposes of enhancing and protecting the value, desirability and attractiveness of the real property which is the subject of these restrictions.

RET. Sude 1
TOTAL 24.00 REV. _____ TC# _____
REC# 17 CK AMT 176.00 CK# 1161
CASH _____ REF _____ BY CR

1. Exclusivity. All of the Revised Lots, other than Revised Lots 207 and 219, shall be used exclusively for single-family residential purposes. There is shown on the Revised Plat a lot classification for each lot. All improvements on each of the Revised Lots, with the exception of Lots 207 and 219, must be constructed in accordance with the setbacks, standards and use restrictions applicable to the designated lot classification, as contained in the "Urban Code - Bald Head Island Harbour" which is maintained on file with the Harbour Architectural Review Board, and which shall be available for examination by the owner or prospective owner of any of the Revised Lots, or his authorized agent.

Lots 207 and 219 may be utilized for single-family residential purposes, but also may be utilized by the Declarant or its assigns for recreational purposes, including, without limitation, providing access to the Bald Head Island marina, and construction of facilities for utilization by those entitled to utilize the Bald Head Island marina. Neither Lot 207, 219 nor the reserved Bald Head Island Limited property west of Row Boat Row (the right-of-way) and adjacent to the Bald Head Island marina are designated at this time Common Areas, and there is no representation that any of such areas shall be deeded to, or made exclusively available to, members of the Association. However, Declarant reserves the right to designate any one or more of said properties as a Common Area in accordance with the Covenants, and in such an event, said property shall be conveyed to the Association, and shall be held by the Association for all purposes as a Common Area as described in Article VI of the Covenants.

2. Marina Easement. There is hereby reserved over and across the eastern most twenty feet of Lots 207, 209, 211, 213, 215, 217, 219 and 220 a twenty-foot maintenance and repair easement, which is reserved for the benefit of Declarant, and of the owner from time-to-time of the Bald Head Island marina. It is expressly acknowledged by the owner of each of the Revised Lots that within said area of easement are tiebacks which are part of the structural system of the bulkhead which is adjacent to said Lots. Nothing shall prohibit the owner of any of the Revised Lots from utilizing the reserved easement area, but any such utilization shall be subject to this maintenance easement, and the owner of each of the Revised Lots shall be fully responsible for any costs associated with removal of or damage to structures or improvements, and the repair or replacement thereof, if such are the result of or necessitated by a need for maintenance or repair of the adjacent marina bulkhead. No owner of any Revised Lot, because of his

ownership of said Lot, shall be responsible in any way for any of the maintenance or upkeep costs of the bulkhead itself, including its tiebacks.

- 3. Bulkhead Easement. There currently exists a buried bulkhead extending generally along the property lines of single-family lots extending north from The Peninsula at Harbour Village, along the Cape Fear River. The purpose of this bulkhead is to provide protection to adjoining properties, and to infrastructure within the Bald Head Island Harbour subdivision, in case of erosion or violent storms. Declarant hereby warrants and represents that it will, no later than June 1, 2000, extend the existing bulkhead approximately along the western property lines of Lots 200 - 218 (even numbers only), as shown on the Revised Plat. Said bulkhead shall be constructed below grade. Upon completion of construction, Declarant shall have no further maintenance or other obligations in regard to said bulkhead ("Buried Bulkhead").

The owner of Lot 220 may, at his own expense, and after procuring appropriate permits, elect to extend the Buried Bulkhead across Lot 220. If such an election is made by the owner of Lot 220, said bulkhead must be constructed in accordance with the same design standards and specifications as utilized for that portion of the Buried Bulkhead constructed by Declarant adjacent to Lots 200 -218 (even numbers only), and shall, after construction, be for all purposes considered an integral part of the Buried Bulkhead.

Following construction of the Buried Bulkhead, and because the integrity of the Buried Bulkhead is essential to the preservation of all of the properties as shown on the Revised Plat, the Buried Bulkhead shall be maintained in a functional condition at all times by the Association, but all expenses of such maintenance shall be borne, as more fully set out herein, by the owners of Lots shown on the Revised Plat. All costs and expenses associated with such maintenance and upkeep shall be considered an assessment which may be levied by the Board of Directors of the Association under Article V of the Covenants. Said assessment ("Limited Assessment") shall be levied against only the owners of Lots on the Revised Plat, in the following proportions:

- A. Eighty percent (80%) of the total Limited Assessment shall be levied against the owners of Lots 200 - 218 (even numbers only), in equal proportions (and shall also be levied proportionately against the

owner of Lot 220 if the Buried Bulkhead has been extended across Lot 220 as above provided); and

- B. Twenty percent (20%) of the total Limited Assessment shall be assessed against the owners of Lots 207 - 219 (odd numbers only), in equal proportions (and shall also be levied proportionately against the Owner of Lot 220 if the Buried Bulkhead has not been extended across said Lot).

The Association may set a date, no sooner than thirty (30) days following notification to the owners, when such a Limited Assessment is due and payable in full. If the owner of any of the Revised Lots fails to pay such Limited Assessment when due, the Association shall have full power reserved under law to collect such Limited Assessment, and shall further be entitled to collect interest at the highest rate allowed by law from the due date until paid in full, and shall further be entitled to collect all costs, including reasonable attorneys fees, incurred in any action relating to the collection of said Limited Assessment, to the fullest extent allowed by law.

It is the intent of Declarant to construct the Buried Bulkhead on the western property line of Lots 200 - 218 (even numbers only), but it is recognized that the Buried Bulkhead may extend slightly onto any of said Revised Lots, or onto the property owned by Declarant west of said Revised Lots. There is therefore hereby reserved for the benefit of Declarant, each of the owners of Lots 200 - 220 (even numbers only), as shown on the Revised Plat, and the Association a twenty foot easement for the construction, maintenance, and upkeep of the Buried Bulkhead, which easement shall extend ten feet into the westerly portion of Lots 200 - 220 (even numbers only), and ten feet outside the westerly boundaries of Lots 200 - 220, into Declarant's property, and which shall be a reciprocal easement from the owners thereof to Declarant and its assigns, and from Declarant and its assigns unto the Association.

- 4. Riverfront Access Easements. Declarant owns the property between The Peninsula at Harbour Village and the adjacent high water mark on the westerly side of Lots 200 - 220 (even numbers only). There are designated and reserved on the Revised Plat certain beach access easements for the benefit of Lots 200 - 220 (even numbers only), burdening Declarant's said property, as follows: three 10' x 10' individual easements adjacent to and for the exclusive use and benefit of Lots 204, 206 and 220; four 10' x 20'

joint easements adjacent to Lots 200 and 202, Lots 208 and 210, Lots 212 and 214, Lots 216 and 218, respectively, each joint easement to be shared by and used for the exclusive benefit of the owners of the two Lots to which the easement is adjacent. The purpose of the individual and joint access easements is to identify the only locations from which access may be gained to the foreshore of the Cape Fear River, and to the river itself, from the benefitted Lots. Each access easement shall be deemed appurtenant to and inseparable from ownership of the Lot(s) to which it is adjacent.

The Declarant shall, no later than June 1, 2000, construct within the easement area appurtenant to each Lot, a structure providing pedestrian access to the beach and the river. The costs of maintenance of each structure shall be the responsibility of the owner of the Lot benefitted thereby, and on a joint easement shall be shared equally by the owners of the two benefitted Lots. In the event an owner does not receive contribution from the jointly benefitted owner for one-half of the cost of maintenance of their shared structure, said owner shall give notice of same to the Association, and upon verification of non-payment, the Association shall collect the unpaid contribution (and all costs of collection) as a Limited Assessment against the non-paying owner, and shall upon collection reimburse the owner who has advanced the funds. After the access structures are built, Declarant shall have no further obligation with respect thereto, and shall have no responsibility for repair or maintenance of said structures or for collecting any contributions on behalf of any owner.

5. Maintenance Easement. There is shown on the Revised Plat between Lots 204 and 206 an easement seven feet in width. This easement is reserved for the benefit of Declarant and the owner from time-to-time of the Bald Head Island marina, and for the benefit of the Association, for the primary purpose of allowing ingress and egress to the foreshore area owned by Declarant adjacent to the Cape Fear River for maintenance activities, and secondarily for pedestrian access by owners of the Revised Lots. No utilization of this easement shall be made which would restrict small vehicular access for maintenance purposes relating to the Bald Head Island marina, the Buried Bulkhead and any shorefront stabilization program being implemented from time-to-time, it being the primary intent of this easement to provide maintenance access. The Declarant shall have no obligation to maintain or improve the easement area for the purpose of

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pedestrian access. Subject to the reservations contained herein, the area shall be considered a Common Area, and shall be conveyed to the Association.

6. Groin Maintenance. There have been constructed a series of four (4) groins extending vertically from the shoreline owned by Developer into the Cape Fear River. The first two of those groins, extending from the entrance channel of the Bald Head Island marina northward, provide significant sand retention and shoreline protection for the properties within The Peninsula at Harbour Village. All maintenance of said groins, to the extent required, through December 31, 2000, shall be performed by Declarant, at the expense of Declarant. Thereafter, all expenses associated with the repair and maintenance of said groins shall be an expense assessed as a Limited Assessment against the Lots shown on the Revised Plat, and shall be collected in the same manner, and in the same percentages, as set out in Paragraph 3 hereinbefore. The Association shall have the responsibility for maintaining said two (2) groins in functional condition. The Association is hereby granted and reserved a non-exclusive easement over and across any of the property owned by Declarant extending westward from the Bald Head Island Harbour lots as may be required to provide ingress and egress to and from each of said groins for purposes of maintenance, repair and upkeep.

7. Fire Protection. Every building constructed on any of the Revised Lots shall be equipped with an interior, automatic sprinkler system, for fire safety and protection.

8. Impervious Surface Limitations. There are set out on Exhibit A hereto, as required by Article VIII, Paragraph 10 of the Covenants, impervious surface limitations for each of the Revised Lots. The owner of each of the Revised Lots shall strictly comply with said limitations, as required by the State of North Carolina. To the extent that the State of North Carolina should revise its existing stormwater permit to allow greater impervious surface on any one or more of said Revised Lots, upon filing by Declarant or the Association of a notice of said change in permit with the HARB, the impervious surface limitation as to said lot or lots shall be automatically deemed amended to comply with the increased impervious surface limitation allowed by the State of North Carolina by permit.

9. Municipal Regulations. To the extent that the Village of Bald Head Island enforces driving regulations, including, without limitation, limitations on speed and requirements as to the qualifications and conditions of the driver of any vehicle, said regulations and conditions are herein specifically incorporated by reference, and the Village of Bald Head Island is specifically granted authority to enforce those regulations and conditions on any private road or easement shown on the Revised Plat. It is expressly acknowledged and understood that the Village of Bald Head Island has no affirmative obligation to enforce said rules and regulations, but may elect to do so.

No overnight parking shall be permitted on Row Boat Row (the right-of-way) in order to facilitate emergency vehicle ingress and egress to and from all of the Revised Lots.

10. Conflict. To the extent there is any conflict between the provisions of the Amended and Restated Covenants and Fifth Supplemental Declaration, to the maximum extent allowable by law, the provisions of the Supplemental Declaration shall prevail.
11. Definitions. All capitalized terms not defined within this Supplemental Declaration shall have the same meaning as set out in the Covenants.
12. Binding Effect. This Supplemental Declaration, as well as all easements and other rights granted herein, and all restrictions and conditions contained herein, shall run with the real property and shall be binding on all parties having or acquiring any right, title or interest in any of the Revised Lots, and shall further inure to the benefit of Declarant and the Association. All present and future owners of any Revised Lot shall be subject to, and shall comply with the Covenants, Conditions, Restrictions and affirmative obligations set forth in this Supplemental Declaration, as it may be amended from time-to-time. Acceptance of a deed of conveyance or the entering into of a lease or the entering into of occupancy of any improvement on any of the Revised Lots shall constitute an agreement that the provisions of this Supplemental Declaration are accepted and ratified by such party, and that they will fully comply with the terms and conditions contained herein, and in the Covenants.

This Supplemental Declaration of Covenants is executed as of the day and year first above written under authority duly granted.

BALD HEAD ISLAND LIMITED,
a Texas limited partnership

(SEAL)

By: *M. Kent Mitchell*
M. Kent Mitchell *sw*
Attorney in Fact

(SEAL)

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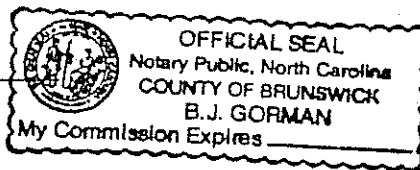
STATE OF NORTH CAROLINA
Brunswick County ss:

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

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

WITNESS my hand and official seal, this the 1st day of April, 1999.

B.J. Gorman
Notary Public



My commission expires: 3/10/03

STATE OF NORTH CAROLINA
COUNTY OF BRUNSWICK

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

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

This Instrument was filed for Registration on this 1st Day of April, 1999
in the Book and Page shown on the First Page hereof.

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

EXHIBIT A
"The Peninsula at Harbour Village"

*Table of Lot Classification and
 Impervious Surface Limitations*

<i>LOT #</i>	<i>LOT TYPE</i>	<i>Allowable Built Upon Area (Square Feet)</i>
200	IVE	2,200
202	IVE	2,500
204	IVF	2,500
206	IVE	1,800
207	IVG	1,800
208	IVE	1,800
209	IVD	1,800
210	IVE	2,200
211	IVD	1,800
212	IVE	2,200
213	IVD	1,800
214	IVE	2,200
215	IVD	1,800
216	IVE	2,200
217	IVD	1,800
218	IVE	2,500
219	IVG	1,500
220	IVF	2,500