

Building Plans and Specifications and Landscape Plans and Specifications (together, the "Plans and Specifications"). If building in the community for the first time, Lot Owners and their builders are encouraged to consult the ACC with questions regarding the application of the Guidelines to the Lot Owners' design concepts prior to the initiation of any design work.

The ACC has been created to explain and assist in the design review process as well as to review, approved, or disapprove Plans and Specifications. It is the ACC's objectives to maintain a pleasing aesthetic relationship of building to site and building to building and not to restrict individual creativity or preferences. The ACC will use the Guidelines for the purpose of reviewing each design, but the ACC may consider creative and innovative approaches in order to address special site conditions or circumstances, provided such approaches are permitted under the Declaration and are otherwise consistent with the spirit of the Guidelines. The ACC may retain advisory design professionals to serve as members of the ACC to aid in the review of Plans and Specifications.

FUTURE AMENDMENTS

The ACC reserves the right to amend any or all provisions of the Guidelines at any time and from time to time, in the sole and absolute discretion of the ACC. Also, the ACC reserves the right to rule on all issues on a case by case basis, taking into account the fact that these guidelines are to be used a benchmarks for policies and procedures, and may be interpreted from time to time by the ACC to reflect certain circumstantial issues.

All Building Plans and Specifications and all Landscape Plans and Specifications shall be prepared in compliance with the most current version of the Guidelines (and all amendments thereto) that has been promulgated by the ACC at the time such Building Plans and Specifications and Landscape Plans and Specifications are prepared.

ARCHITECTURAL AND DESIGN GUIDELINES

1. PROCEDURES AND APPROVALS

1.1 Architectural Review Process.

Prior to the commencement of any construction activity of any type (including any grading work) on any Lot, an Application for Approval (using a form to be obtained from the ACC) of such work must be submitted by the Lot owner or such Owner's designated agent to the ACC. The ACC must receive, review and approve the information and documentation required to be submitted under Section 1.3 herein entitled "Design Review Procedure" prior to the commencement of any such work. Also, all design and construction escrow fees required under these Architectural and Design Guidelines must be paid to the ACC prior to the commencement of any such work.

1.2 Pre-Application Procedure.

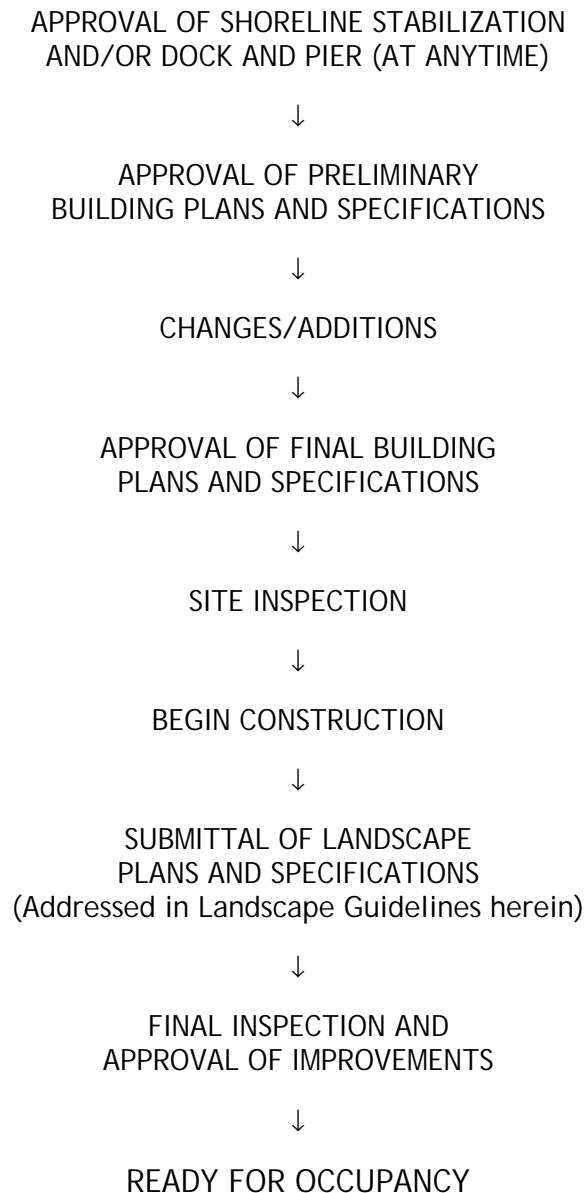
Iredell County and its building inspection department have jurisdiction over the community. Each Lot Owner or a representative of each Lot Owner should contact representatives of Iredell County and its building inspection department at the beginning of the planning and design process relative to such Owner's Lot to ensure

compliance with the rules, regulations and standards of Iredell County. Compliance with all governmental and quasi-governmental rules, regulations and standards is the obligation of each Lot Owner and the Lot Owner's builder. It should not be assumed, however, that compliance with the rules, regulations and standards of Iredell County and other governmental and quasi-governmental authorities will satisfy all requirements of the ACC.

1.3 Design Review Procedure.

The successful completion of the design review procedure under the Architectural and Design Guidelines will be facilitated by reviewing and complying with the requirements outlined in the Architectural and Design Guidelines and by reviewing and following the step-by-step design review format described below. The review format has been structured to achieve a smooth and timely review from preliminary plan submittal to final site inspection and approval.

The following flow chart represents the necessary procedures in the process of building a residence:



The ACC has established a schedule for submittal of Building Plans and Specifications, review of Building Plans and Specifications, and meeting with the Lot Owner or the representative of the Lot owner to discuss any questions or concerns of the ACC relative to the Building Plans and Specifications. The established schedule permits a timely review of submitted Building Plans and Specifications and allows Lot Owners and their representatives to accurately plan their schedules. Building Plans and Specifications must be submitted by the Lot Owner or the Lot Owner's representative to the ACC Coordinator by 5:00 p.m. seven days prior to the scheduled ACC review meeting. Each submittal of Building Plans and Specifications must be accompanied by a completed Application for Approval form (copies of which are attached hereto as Schedule A and Schedule B, as applicable), a one-time processing fee (the "Processing Fee") of Six Hundred Fifty and No/100 Dollars (\$650.00), and two (2) complete sets of the Building Plans and Specifications. In addition, the initial septic installation inspection fee and the first annual septic inspection fee are due at the time of ACC submittal. These checks are in the amount of \$250.00 and \$300.00 respectively, and are made payable to the BayCrossing Owners Association.

The ACC has a review meeting as needed, but no more than once a week, to review the Building Plans and Specifications that have been submitted since the most recent ACC review meeting. Each Lot Owner that has submitted Building Plans and Specifications for review is encourage, although not required, to attend the ACC review meeting at which such Lot Owner's Building Plans and Specifications will be reviewed to respond to any questions that the ACC may have relating to such Lot Owner's Building Plans and Specifications. Appointments for ACC review meetings can be made by contacting the ACC Coordinator.

As set forth above, each Lot Owner will be charged a Processing Fee for the review of such Lot Owner's Building Plans and Specifications. The Processing Fee, which is Six Hundred Fifty and No/100 Dollars (\$650.00), shall be paid by check and shall be made payable to the ACC. The ACC shall have the right to increase the amount of the Processing Fee from time to time as stated in the Declaration and these Guidelines. The Processing Fee is intended to partially cover the expense incurred by the ACC in reviewing Building Plans and Specifications, including the cost of compensating any consulting architects, landscape architects, urban designers, inspectors, or attorneys retained by the ACC.

The Application for Approval, along with the following fees:

- \$650 Processing Fee made out to BayCrossing ACC
- \$1000 Construction Escrow Deposit made out to the HOA
- \$250 Initial Septic Installation Fee made out to the HOA
- \$300 First Annual Septic Inspection Fee made out to the HOA,

The Building Plans and Specifications and all other materials necessary for the ACC to review Building Plans and Specifications shall be sent to:

Hecht Properties, LLC
885 North Highway 16
Denver, NC 28037

1.4 Review of Preliminary Building Plans and Specifications.

The ACC encourages Lot Owners and builders who are building in the community for the first time to participate in the preliminary Building Plans and Specifications review process. Although not required, the preliminary Building Plans and Specifications review process may help avoid unnecessary expense and delay by expediting later phases of the Building Plans and Specifications review process. The ACC will review with the Lot Owner or the Lot Owner's representative such Lot owner's proposed design approach to confirm general compliance with the Architectural and Design Guidelines and the appropriateness of the design concept. To fully utilize the preliminary Building Plans and Specifications review process, a completed site plan and the architectural drawings for the Improvements (as outlined in the enclosed Application for Preliminary Design Approval form, a copy of which is attached hereto as Schedule A) shall be included as part of the preliminary Building Plans and Specifications submittal shall also include a completed Application for Approval and the Processing Fee.

The ACC shall review the preliminary Building Plans and Specifications and return them to the Owner marked "Approved" or "Disapproved", as the case may be. As to any preliminary Building Plans and Specifications that are marked "Approved" by the ACC, final Building Plans and Specifications produced thereafter must be in substantial conformity therewith; provided, however, the ACC's approval of preliminary Building Plans and Specifications shall in no way bind or obligate the ACC to approve the subsequent final Building Plans and Specifications.

The ACC may refuse to approve preliminary Building Plans and Specifications or any component(s) thereof, without limitation, the location, style, exterior colors or finishes or other specifications of the proposed Improvements for any reason or reasons, including purely aesthetic reasons, in the sole discretion of the ACC.

1.5 Review of Final Building Plans and Specifications.

The submittal of final Building Plans and Specifications shall incorporate all of the requirements stated in the Application for Final Design Approval form, a copy of which is attached hereto as Schedule B, and other portions of the Architectural and Design Guidelines as well as comments from previous meetings and design reviews.

Two (2) complete sets of the final Building Plans and Specifications must be submitted to the ACC. Also, the Processing Fee (\$650.00) must be submitted as part of the final Building Plans and Specifications submittal if the Processing Fee has not been paid to the ACC previously. In addition, the following items must be submitted to the ACC as a condition to the final Building Plans and Specifications review process:

- The construction escrow deposit (the "Construction Escrow Deposit"), as set and determined by the ACC as of the date the final Building Plans and Specifications are submitted. The Construction Escrow Deposit is currently One Thousand Dollars (\$1,000.00) per Lot. The Construction Escrow Deposit shall be paid by check made payable to BayCrossing Owners Association, Inc. (the "Owners Association"). The Construction Escrow Deposit will be held by the Owners Association and sued for the purposes set forth in the Construction Rules.

If found not to be in compliance with the Guidelines or if found to be otherwise unacceptable to the ACC, one (1) set of the final Building Plans and Specifications shall be returned to the Lot Owner marked "Resubmit", accompanied by a written statement