

Declarant has recorded that certain Declaration of Covenants, Conditions and Restrictions for Windmill Pointe at Oriental, North Carolina in Book \_\_\_\_\_, Page \_\_\_\_\_ of the Pamlico County \_\_\_\_\_ (the "Declaration"). Article 9 of the Declaration provides that the Design Review Board is authorized to promulgate Design Guidelines which shall govern the construction, location, landscaping, material and design of improvements, structures, the submission of plans and specifications, and other information as may be required in order to evidence compliance with and obtain approval pursuant to Article 9 of the Declaration.

### Design Guidelines

#### Architectural Control, Inspection and Use Restriction

Declarant shall have the responsibility of enforcing the restrictions set forth in this Article prior to the formation of the Design Review Board, which may be referred to herein as the "Committee", which, upon appointment by the Board of Directors, shall assume and be responsible for the enforcement. References in this Article to "Committee" shall mean Declarant until the Committee is appointed and references to "Declarant" shall include the Committee once it is appointed. The following architectural restrictions shall apply to each and every Lot now or hereafter subject to this Declaration. In the event of any inconsistencies between the terms and provisions of the Design Guidelines are the terms and provisions of the Declaration, the terms and provisions of the Declaration shall control.

#### Section 1. Approval of Plans and Architectural Committee

(a) No site preparation or initial construction, erection, or installation of any improvements, including, but not limited to, residences, outbuildings, landscaping, fences, walls, signs, antennas and other structures, shall be undertaken upon the Lots unless the plans and specifications therefor, showing the nature, kind, shape, height, materials, and location of the proposed improvements on the Lot, including but not limited to, the house, decks, garage, driveway, parking areas, plants, shrubs, trees (including trees to be removed), marsh, and

wetland areas to be disturbed, and any other permanent structures or changes to be made to the Lot, shall have been submitted to the Committee and expressly approved in writing. No subsequent alteration or modification which will result in an exterior, structural change to the residence, outbuilding, or significant changes to the landscaping may be undertaken on any of the Lots without the prior review of and express written approval of the Committee.

(b) The member applying for permission from the Committee to build in the Windmill Pointe development must submit two (2) full sets of drawings and specifications, a color schedule, and one additional site plan. Drawings must indicate materials and landscaping scheme.

(c) In the event that the Committee fails to approve or disapprove the site or design of any proposed improvements within forty-five (45) days after plans and specifications therefor have been submitted and received, approval will not be required, and the requirements of this Article will be deemed to have been fully met; provided, that the plans and specifications required to be submitted shall not be deemed to have been received by the Committee if they contain erroneous data or fail to present adequate information upon which the Committee can arrive at a decision.

(d) The Committee shall have the right, at its election, to enter upon any of the Lots during site preparation or construction, erection or installation of improvements to inspect the work being undertaken and to determine that such work is being performed in conformity with the approved plans and specifications and in a good and workmanlike manner, utilizing standard industry methods and good quality materials.

(e) The approval of any such plans, specifications or other items submitted to the Committee pursuant to this Article shall not impose any liability or responsibility on the Committee or the Association with respect to either the compliance or non-compliance of any such plans, specifications or other items (including any improvements or

structures erected in accordance therewith) with applicable zoning ordinances, building codes or other governmental or quasi-governmental laws, ordinances, rules and regulations or defects relating to engineering matters, structural and design matters and the quality or suitability of materials).

(f) For so long as Declarant is a Class B member of the Association as provided in Article III, or until such time as the Declarant notifies the Board of Directors in writing of its desire to have the Association to elect the members of the Committee, the Declarant or the Declarant's designees shall serve as the Committee, and shall exercise the authority to approve plans and other matters set forth in this Article. After Declarant divests itself of all Lots within the Property, or so notifies the Association, the Committee shall be elected by a majority of the votes of the Members, cast in person or by proxy, at a meeting duly called for this purpose, except no person may serve on the Committee who is actually engaged in construction for profit or material vending who may benefit materially from construction activities in the development.

(g) With the submission of the plans and specifications, the Owner must pay a non-refundable, Architectural Review Fee of \$150.00 to the Declarant, so long as the Declarant is acting as the Committee, or the Association thereafter. The Declarant or the Association, as the case may be, may change the amount of the Architectural Review Fee as it sees fit.

(h) The Declarant may develop certain architectural plans for houses in Windmill Pointe, and if an Owner selects one of these plans for construction on the Lot, then the Owner will not have to have the plans and specifications approved by the Declarant, and the Owner will submit only a site plan showing the location of the improvements and the landscaping plan. If the Owner selects one of the Declarant's plans, then there will be no Architectural Review Fee.

(i) To insure that the construction is done according to the plans and specifications submitted to the Declarant and to insure that the construction site is maintained in a neat and orderly fashion and cleaned up after construction is completed, the Owner must also pay at the time of submission of the plans and specifications to the Declarant, a Compliance Fee of \$250.00. Upon notice by the Owner that construction has been completed, the Declarant shall inspect the improvements, and if constructed in accordance with the prior approval and the construction site has been kept in a neat and orderly appearance, the Compliance Fee shall be returned to the Owner. A forfeiture of the Compliance Fee shall not prevent the Declarant or the Association from seeking any other remedies it might have if the improvements are not constructed as approved.

Section 2. Rules and Regulations. The Board of Directors of the Association shall have the power to formulate, publish and enforce reasonable rules and regulations concerning the use and enjoyment of the Common Areas. Such rules and regulations, along with all policy resolutions and policy actions taken by the Board of Directors shall be recorded in a Book of Resolutions, which shall be maintained in a place convenient to the Owners and available to them for inspection during normal business hours.

Section 3. Additional Restrictions. In addition to the use restrictions set forth in the Declaration, the following restrictions shall apply:

(a) No business, profession, professional clinic or other trade or business activity shall be carried on upon any Lot or in any building erected thereon except a Lot Owner may use one room of the residence to indicated a room is being used as an office, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood. Nothing herein shall prevent the Declarant from constructing or using a residence or mobile home as a sales model or sales office so long as Declarant owns a lot.

(b) All structures must be built to comply substantially with the plans and specifications as approved by the Committee, and before any house may be occupied it must be completely finished and a certificate of completion must have been issued by the local or state authority empowered to do so.

(c) No building shall be erected, altered, placed or permitted to remain on any Lot, other than a detached, single family dwelling, not to exceed two (2) stories in height (exclusive of finished attic space) and a private garage for no less than two (2) and no more than three (3) automobiles. Any additional building or out buildings which an Owner wants to construct on a Lot must be approved in writing by the Committee.

(d) No building shall be built, erected or used on a Lot unless it shall contain living area of at least 2,200 square feet of floor space. For two-story structures, the first floor shall contain living area of at least 1,500 square feet. The floor space herein referred to shall be exclusive of garages, porches, breezeways, terraces and basement areas. Said measurements are to be measured from the outside wall lines. With written approval of Declarant, a portion of the living space required to comply with the limitations of this paragraph may remain unfinished.

(e) Garages, may face either street on which the residence faces or a side yard, and may be attached to, detached from or built within a residence. Garages shall have a solid or semisolid wall on the street side. Each Owner must also provide on the Lot at least one additional parking space (which may be on the driveway), not necessarily covered, for off-street parking. If a garage faces a street, the garage door must remain closed except when a vehicle is entering or exiting the garage.

(f) No permanent structures shall be erected having exposed exterior walls of concrete blocks, and all driveways must be paved with asphalt, concrete, or brick pavers.

(g) The Lots which are subject to this Declaration shall not be subdivided, except that two (2) Lot Owners may subdivide a Lot between them, but only one residence shall be built on the combined original Lot and subdivided portion of any Lot.

(h) No Lot shall be used as a street or other type of access for any adjoining tracts of land which are not a part of the Property, and no Lot shall contain any boat launch or ramp, dock pier, boat slip or other facility for docking or parking any watercraft at a Lot.

(i) All setback requirements shall be as required by applicable zoning unless otherwise designated on the recorded plat(s). The foregoing notwithstanding, there shall be a 75-foot setback from the edge of the water on all waterfront lots. There shall be no impervious surfaces on any waterfront lot within the 30 feet of the water's edge and only 30 percent of the surface of the area of the 75-foot setback from the water's edge may contain impervious surfaces.

(j) No trailer, basement, tent, shack, garage, barn or other outbuilding erected on the Lots shall be used at any time as a residence, temporarily or permanently, nor shall any structure of any temporary character be used as a residence, except this restriction shall not apply to a finished room or rooms which are part of a garage. Camping trailers may be parked on a Lot for storage, but not occupancy, but only if the camping trailer is owned by the Lot Owner and is screened as required by Subsection (aa) below. This restriction shall not apply to construction trailers, Declarant's sales office or vehicles used during the construction of improvements on the Lot.

(k) No house trailer, boat, boat trailer, camper, or other such vehicle, trailer, vessel, whether commercial or recreational, shall be permitted on any Lot unless screened from the view of adjoining Lots, streets and Common Areas. It is the intention of this restriction

to prevent the parking of any such vehicles in the parking area of the residence other than automobiles, pickup trucks, or motorcycles.

(l) No stable, barn, or out building shall be erected or allowed to remain on any Lot for domestic animals. No animals, livestock or poultry of any kind shall be raised, bred, pastured or maintained on any Lot, except standard household pets which may be kept thereon in reasonable number as pets for the sole pleasure and purpose of the occupants but not for any commercial use or breeding purpose. Birds shall be confined to cages.

(m) No property in the subdivision shall be used for the sale of any items, including automobiles, nor shall inoperable automobiles, automobiles which are not used on a regular basis, or other debris, trash or storage items be allowed to accumulate or to remain on any Lot of the subdivision. The association may regulated the parking and use of boats, trailers, motor homes, recreation vehicles, trucks, and other such items on the Common Areas (including the provision of special facilities for which a reasonable charge may be made). No boats, trailers, motor homes, recreational vehicles, or trucks shall be parked within the right-of – way of any public or private street in or adjacent to this development.

(n) See § 11.12 of Declaration.

(o) Decorative fencing of good quality may be erected, but the quality, style, and location of said fencing must be approved by the Committee. Fencing must be maintained in a good state of repair.

(p) No communications or television receiving disc, antenna or similar item may be erected or place on any Lot, or on any building on any Lot, except a satellite disc less than twenty-four (24) inches in diameter, as aforesaid. No outside radio transmission tower or radio receiving antenna shall be erected by an Owner, and no outdoor television antenna may be erected or installed if cable television reception is available to a Lot. If cable television

service is not available to a Lot, then the customary outdoor television receiving antenna shall thereafter be taken down and removed by the Owner when and if cable television receiving service shall later be provided. The Association may provide cablevision or central television antennas provided that the cost shall be borne by those who subscribe to the service and shall not be included in annual or special assessments. The Association may regulate or prohibit the erection of any type of antennas on individual Lots. No satellite discs larger than 24 inches in diameter shall be erected without the prior written approval of the Association. A satellite disc less than 24 inches in diameter must be screened such that the disc is not visible from the street or any Common Area and such screening must be approved by the Committee.

(q) Incinerators for garbage, trash or other refuse shall not be used or permitted to be erected or places on any Lot. Any and all equipment, coolers, woodpiles, garbage cans, refuse or storage piles place on a Lot (whether temporary or permanent) shall be screened to conceal same from the view of neighboring lots, roads, streets, or open areas. Plans for all screens, walls and enclosures must be approved by the Committee prior to construction.

(r) No leaves, trash, garbage or other similar debris shall be burned except as permitted by the appropriate governmental authority. No garbage, trash, construction debris or other unsightly or offensive material shall be placed upon any portion of the Lot, except as is temporary and incidental to the bona fide improvement of any portion of the Lot.

(s) No lumber, brick, stone, cinder block, concrete or other building materials, scaffolding, mechanical devices or any other thing used for building purposes shall be stored on any Lot except for the purpose of construction on such Lot and shall not be stored on any Lot for longer than the length of time reasonably necessary for the construction to the completion of the improvement in which same is to be used.

(t) Subject to the provisions of Subsection (u) below, no exposed above-ground tanks will be permitted for storage of fuel or water or any other substance.

(u) Except with the prior written approval and permission of the Committee, no water well shall be sunk or drilled on any Lot. However, Declarant reserves the right to locate wells, pumping stations and tanks within residential area, on Common Area, or on any Lot designated for such use on any recorded plat.

(v) No Owner shall excavate or extract earth from any of the Lots subject to this Declaration for any business or commercial purpose. No elevation changes shall be permitted which materially affect surface grade of surrounding Lots.

(w) No outside toilet facility may be constructed or maintained on any Lot except during construction of improvements on any Lot.

(x) Declarant must approve and will provided at the initial Owner's expense, the initial mailbox for each Lot and all future mailboxes must be of the same design, construction and color and in the same location unless the changes in design or location are approved by the Committee.

(y) No sign of any kind whatsoever shall be erected upon or displayed or otherwise exposed to view on any Lot or any improvement thereon, except for the Declarant's signs and the initial builder's sign of no more than 9 square feet of surface space (no subcontractor's signs shall be allowed) for the first time sales and thereafter, customary "for sale" signs without the prior written consent of the Committee.

(z) All motorized vehicles operating on the Property must have proper mufflers so as to eliminated noise, which might be offensive to others. Minibikes and similar two, three, or four-wheeled vehicles are prohibited from being used or operated on or within the Property, unless the prior written consent of the Committee is first secured.

(aa) No temporary structure shall be permitted on any Lot unless screened from view of adjoining Lots, streets and Common Areas, provided, however, temporary buildings and other structures shall be permitted during the construction period of the dwellings or as a temporary real estate sales office for the sale of Lots. No garage, outbuilding or other appurtenant structure shall be used for residential purposes, either temporary or permanently, except for a finished room or rooms located on the second floor of the garage which are a part of the garage, constructed in accordance with these Design Guidelines without the written consent of the Committee.

(bb) Trees may be removed, where necessary, for the construction of driveways and residences or if located within six (6) feet of the foundation of the house or garage or swimming pool. All other trees over four (4) inches in diameter measured eighteen (18) inches from the surface of the ground shall be retained unless their existence creates a hazard to the property.

(cc) The use restrictions set forth in this Section 3 listing those items which may not be maintained on a Lot shall not apply to Lots during the period of construction of the dwelling unit upon the Lots. As soon as a dwelling unit has been completed on a Lot, these use restrictions shall immediately apply to the Lot.

(dd) Any wetlands areas designated on a Lot as shown on the recorded plat of Windmill Pointe must not be disturbed by the Owner without the consent of the Committee, and at the time of any such request to fill or otherwise disturb and wetlands areas, the Owner must present evidence satisfactory to the Committee that the proposed activity has been approved by all appropriate municipal, state and federal authorities. Consent by the Committee shall not imply any such consent by said authorities and the Committee shall not be responsible for obtaining any such consent of any such authorities. Consent by the Committee shall in no way make the Committee or the Association liable to such authorities for the failure of the Owner to obtain or comply with approvals by the authorities.

(ee) As required by the Declarant's State Stormwater Management Permit issued by the North Carolina Department of Environment, Health and Natural Resources, Division of Water Quality, the following restrictions shall apply to all Lots:

1. The allowable built-upon area per Lot is inclusive of that portion of the right-of-way between the front lot line and the edge of the pavement, structures, pavement, walkways of brick, stone, slate, but not including wood decking.
2. The covenants pertaining to stormwater regulations may not be changed or deleted without concurrence of the Division of Water Quality.
3. Filling in or piping of any vegetative conveyances (ditches, swales, etc.) associated with the development except for average driveway crossings, is strictly prohibited by any persons.
4. Lots within CAMA's Area of Environmental Concern (AEC) may have the permitted built-upon area reduced due to CAMA jurisdiction within the AEC.

Section 4. Hobbies and Activities. The pursuit of hobbies or other inherently dangerous or unsightly activities including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices which might tend to cause disorderly, unsightly or unkempt conditions; the shooting of firearms, fireworks, or pyrotechnic devices of any type or size; and such other activities shall not be

pursued or undertaken on any part of any Lot or the Common Areas without the consent of the Board of Directors of the Association.

Section 5. Nuisances and Unsightly Materials. Each Owner shall refrain from any act or use of his Lot which could reasonably cause embarrassment, discomfort, annoyance or nuisance to the neighborhood. No noxious, offensive or illegal activity shall be carried on upon any Lot. No Lot shall be used in whole or in part for storage of rubbish of any character whatsoever; nor shall any substance, thing or material be kept upon any Lot which will emit foul or noxious odors, or that will cause any noise that will or might disturb the peace and quiet of the occupants of surrounding property. No trash, rubbish, stored materials, wrecked or inoperable vehicles or unsightly items shall be allowed to remain on any Lot outside an enclosed, covered structure. However, the foregoing shall not be construed to prohibit temporary deposits of trash, rubbish and other debris in appropriate receptacles for pickup by garbage and trash removal service units. Each Owner shall maintain the improvements on the Lot in a neat and orderly manner in accordance with the community wide standard. In the event any Owner of any Lot fails or refuses to maintain the improvements and the Lot in a neat and orderly manner in accordance with the community standard or to keep the Lot from accumulating any of the foregoing unsightly items, weeds or underbrush, the Association may, at its option, ten (10) days after posting a notice thereon or mailing a notice to said Owner at his property address requesting Owner to comply with the requirements of this Section, enter and remove all such unsightly items and growth at said Owner's expense, and Owner shall be personally liable to the Association for the costs of removal, and the costs, until paid, and said costs shall be a permanent charge and lien upon such Lot enforceable to the same extent and collectible as provided for in the Covenants. By acquiring property subject to these restrictions, each and every Owner agrees to pay such costs promptly upon demand by the Association, its agents, assigns, or representatives. No such entry as provided in this Section shall be deemed a trespass. The provisions of this Section shall not apply to Lots upon which houses are under construction.

Section 6. Governmental Regulations. Each Owner shall observe all governmental building codes, health regulations, zoning restrictions and other regulations applicable to his Lot. In the event of any conflict between any provision of any such governmental code, regulation or restriction and any provision of this Declaration, the more restrictive provision shall apply.

Section 7. Other Prohibitions or Requirements.

(a) The following materials are prohibited from use on dwelling or outbuildings in the development, unless otherwise noted:

1. Roofs
  - a. Any fiberglass / asphalt / composite shingle of less than 350 pounds per 100 square feet.
  - b. Roll-roofing material.
2. Siding (including foundation)
  - a. Horizontal Vinyl Siding
  - b. Concrete masonry units.
  - c. Sheet metal.
  - d. Roll-material.
  - e. Asphalt shingles.
  - f. Non-self-draining E.I.F.S.
3. Glass
  - a. Reflective glass (reflectance equal to or greater than 10 percent).

(b) No vent or other pipes or appendages may extend from the front of any residence, unless screened from public view by a screening material or shrubbery approved by the Committee.

(c) Any exterior air-conditioning or heating equipment must be screened from public view by a screening material or shrubbery approved by the Committee.

(d) Downspouts and gutters must be so constructed so as not to promote the erosion of the soil of any Lot.

(e) Any outdoor lighting must be shielded so as to cast no direct light upon adjacent Lots, and must not emit light upwards into the atmosphere.

(f) As soon as possible, but no later than the issuance of a certificate of occupancy for a house on a Lot, the Owner of the Lot, at a minimum, must immediately sow grass seed over all areas that are not natural areas to control erosion. The landscaping plan previously approved must be completed within six (6) months of the issuance of the certificate of occupancy.

(g) The Association reserves the right to impose reasonable rules and regulations that pertain to the treatment of wildlife, plants, trees, and flora within the Common area.

Section 8. Storage of Materials, Garbage, Dumping, Etc.

(a) All garbage cans shall be located or screened so as to be concealed from view of neighboring streets and property. All rubbish, trash, and garbage shall be regularly removed and shall not be allowed to accumulate. There shall be no dumping of grass clippings, leaves or other debris; rubbish, trash or garbage; petroleum products, fertilizers, or other potentially hazardous or toxic substances on wetlands or marsh areas or in any drainage ditch or stream within the Properties, except that fertilizers may be applied to landscaping on Lots provided care is taken to minimize runoff. No lumber, metals, bulk materials, refuse, trash or other similar materials shall be kept, stored, or allowed to accumulate outside the

buildings on any Lot, except as may be permitted during any period of construction of improvements to a Lot.

(b) Each Owner shall maintain its Lot in a neat and orderly condition throughout construction of a residential dwelling or accessory structure and not allow trash and debris from its activities to be carried by the wind or otherwise scattered within the Properties. Storage of construction materials on the Lot shall be subject to such conditions, rules, and regulations as may be set forth in the Design Guidelines. Each owner shall keep roadways, easements, swales, and other portions of the properties clear of silt, construction materials and trash from its activities at all times. Trash and debris during construction shall be contained in standard size dumpsters or other appropriate receptacles and removed regularly from Lots and shall not be buried or covered on the Lot. All Lots on which construction is in progress must be inspected by the Owners or their builders prior to each weekend, and during the weekend all materials shall be neatly stacked or placed and any trash or waste materials shall be removed. In addition, Owners shall remove trash and debris from the Lot upon reasonable notice by Declarant in preparation for special events.

9.1 Combustible Liquid. Storage of gasoline, propane, heating or other fuels is prohibited, except for a reasonable amount of fuel that may be stored in containers appropriate for such purpose on each Lot for emergency purposes and operation of lawn mowers and similar tools or equipment and except as may be approved in writing by the Design Review Board. The Association shall be permitted to store fuel for operation of maintenance vehicles, generators and similar equipment.

9.2 Guns. The discharge of firearms on the Properties is prohibited. The term “firearms” includes without limitation “B-B” guns, pellet guns, and firearms of all types. The Board may impose fines, and exercise other means of enforcement as set forth in this Declaration, but shall have no obligation to exercise self-help to prevent or stop such discharge.

9.3 Temporary Structures. Subject to the Declarant's and Builder/Owner's rights reserved herein, and other than for temporary facilities as might be installed by Declarant or the Association for purposes of administration of the Properties, no structure of a temporary character, whether trailer, basement, tent, shack, garage, barn, or other outbuilding shall be permitted, maintained or used on any Lot at any time as a residence or for any other purpose, either temporarily or permanently. No garage, servants' quarters, or other permitted accessory structure shall be erected, placed, or maintained on any Lot until construction of a main Residential Unit has commenced. Subject to Article 9, any structure on which construction has commenced must be completed within a reasonable length of time.

9.4 Clotheslines, Garbage Cans, Woodpiles, etc. All garbage cans, woodpiles, and other similar items shall be located or screened so as to be concealed from view of neighboring Lots, Residential Units, streets, Common Area and the Additional. All rubbish, trash, and garbage shall be regularly removed from the Lot and shall not be allowed to accumulate thereon. Subject to Declarant's reserved rights, no Lot shall be used or maintained as a dumping ground for rubbish, trash or garbage. Trash, garbage, or other rubbish shall not be kept on any Lot, except in sanitary containers constructed of metal, plastic, or masonry materials with sanitary covers or lids. All such sanitary containers shall be kept in a clean and sanitary condition. No Lot shall be used for the open storage of any materials whatsoever, which storage is visible from the street, except that new building materials used in the construction of improvements erected upon any Lot may be placed upon such Lot at the time construction is commenced and may be maintained thereon for a reasonable time, so long as the construction progresses without undue delay, until the completion of the improvements, after which these materials shall either be removed from the Lot or stored in a suitable enclosure of the Lot. Exterior clotheslines are expressly prohibited on any Lot.

9.5 Solar Devices. No artificial or man made device which is designated or used for collection of or heating by solar energy or other similar purposes shall be placed, allowed, or

maintained upon any portion of the Properties, including upon any Lot or Residential Unit unless approved in accordance with Article 9.

9.6 Above-Ground Pools. Above ground swimming pools shall be strictly prohibited from the Properties.

9.7 Oil and Mining Operations. No oil drilling or development operation, soil refining, quarrying, or mining operations of any kind shall be permitted upon or in any Lot, nor shall oil wells, tanks, tunnels, mineral excavations, or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil, natural gas, or minerals shall be erected, maintained, or permitted upon any Lot.