

Design Guidelines

Lake Patagonia Ranch Property Owners Association B

Article I, Section 5 of the By Laws of Lake Patagonia Ranch Property Owners Association B (the "Association") provides that the Association shall have an Architectural Control Committee (the "Committee"). Article VIII, Section 4 of the By Laws further states that the Board of Directors of the Association have the power "to adopt and establish rules and regulations governing Architectural Control", subject to the provisions in the Covenants, Conditions and Restrictions (the "CCRs") for the Association. Therefore, in order to provide the guidance and the necessary authority to the Committee, the Board of Directors of the Association has adopted as of [date] the following procedural rules, restrictions, architectural standards and design guidelines (the "Design Guidelines")." These Design Guidelines are effective on [date], and are applicable to all decisions of the Committee on or after that date.

A. Purpose:

In order to protect each property owner's investment and to preserve the natural beauty of the area, Improvements to any property in Lake Patagonia Ranch – B are to be designed in accordance with these standards. Lake Patagonia Ranch – B is designed as a community for full-time residents and comprised of permanent, high quality, first-class dwellings. Improvements on the properties should account for the natural desert setting of the community with an eye toward fitting into and enhancing the unique attributes of the surrounding environment. "Improvements" include 1) structures such as a residence, building, guest house, garage, carport, tack room, equipment room, fence, wall or other structure; 2) any landscaping, grading, or other site development work; and 3) any changes to the exterior of the foregoing visible from the community streets or any neighboring property.

B. Design Guidelines:

The standards to be applied by the Committee are detailed in the following Design Guidelines to interpret and implement the use restrictions set forth in the CC&Rs for the Association and to preserve a consistent aesthetic scheme throughout the entire community according to the design principles and other criteria set forth herein and as provided in the CC&Rs. It is the intent of these Guidelines and the desire of the Committee to encourage quality homes, built with sensitivity to the existing landscape. In particular, the CC&Rs direct the Committee to verify all projects comply with the use restrictions set forth therein and to consider the nature, kind, shape, height, color, materials, floor plans, location, and approximate cost of homeowners' proposed Improvements. Therefore, the following criteria shall apply to all Improvements in Lake Patagonia Ranch - B. Each owner is, however, solely responsible for reviewing, understanding, and complying with all requirements detailed in the CC&Rs, including, but not limited to, the building limitations in Article I, Section 1 and the setbacks established in Article I, Section 3 of the CC&Rs.

1. Site Planning. Each residential site within Lake Patagonia Ranch - B has its own specific qualities and characteristics. The Committee will critically review the site plans to determine whether existing features are respected and sensitively utilized, according to the criteria established in the CC&Rs. All

parcels must be used as residential parcels, in accordance with the requirements of the CCRs. No mobile homes or trailers are allowed to be used as a residence. Not more than one single family detached residence, with normal and customary outbuildings, such as a garage, a guesthouse, a barn, a tack room and building for equipment, is allowed for each 180,000 square feet of parcel area. All sewage/waste water must be discharged into a county-approved septic sewage disposal system.

2. Setback & Easements. The CCRs provides for minimum setbacks for Improvements (except for perimeter fences), as follows: No less than fifty feet (50') from the rear or from parcel property line and no less than twenty five feet (25') from any side parcel line. Note that Santa Cruz County may impose additional restrictions in the case of barns, corrals and stables. The Committee does not review plans for compliance with local building codes, ordinances, or other laws and regulations. Owners are independently and solely responsible for ensuring their plans satisfy these governmental requirements, and no approval by the Association represents or guarantees the Owner's plans satisfy them. Easements for the installation and maintenance of utilities, roadways and such other purposes shall be readily accessible for use, service and maintenance and no Improvement can be erected on any such easement.

3. Home Size. In reviewing the floor plan of proposed Improvements, the Committee shall consider the total living space of all residential dwellings. In general, residential dwellings designed with no less than 1,500 square feet of living space and a minimum two-car fully enclosed garage are consistent with the aesthetics and standards of the surrounding community and more likely to receive approval. In considering this aspect of the floor plan, square footage will be calculated from the outside wall. No credit will be given for basements, garages, decks or covered porches. Site constraints may impact the Committee's review of the floor plan and implementation of this general standard.

4. Home Styles. All buildings should be designed to fit the natural contours of the parcel without excessive grading so as to preserve the existing natural contours . In reviewing the plans of a proposed building, proportions and overall scale of the building in relation to the site and neighboring properties will be examined as part of the Committee's consideration of the nature, kind, shape, floor plan, and location of proposed Improvements. In general, ancillary buildings are unlikely to receive approval if they are placed on ridgelines or at other high points of elevation on a property because such siting has an offensive visual impact that is inconsistent with the surrounding properties and the community's overall design principle of fitting Improvements harmoniously into the natural desert landscape.

5. Height. Pursuant to the CC&Rs, in general, building heights that do not exceed 25 feet from the ground level of the building pad are more likely to receive approval to mitigate the disruptive visual impact of Improvements within the natural desert setting. Higher building heights may be approvable where the building is positioned such that it does not interfere visually with the neighboring properties. However, the Association notes at the time these Guidelines are adopted, Santa Cruz County imposes a maximum building height of 35 feet. The height of a building for the purpose of this requirement means the distance measured on a vertical plane from the average pre-construction or postconstruction grade around the perimeter of a building or structure, whichever is lower, to the highest point on the roof surface of the building structure. In addition to the maximum building height, Owners are strongly encouraged to consider the qualities of the site, especially the visual and climatic exposure created by the combination of existing slopes, vegetation and orientation. Lower buildings are generally more appropriate on more exposed sites, while taller buildings can be incorporated into those sites which are

less visible and/or more protected. The Committee may impose lower maximum heights on specific parcels, where deemed necessary to protect the aesthetics of the community's natural setting.

6. Exterior Walls & Finishes. The exterior walls of a building are obviously an important part of its overall visual impact and should be carefully considered for effect on proportions, continuity and illumination. The connection from the walls to the foundation should be treated so the transition from one material to the next is smooth. Color may vary, but must be approved by the Committee, as set forth in the CC&Rs. The Committee will exercise its best judgment to see that all Improvements conform and harmonize with existing structures as to external design, quality & type of construction, seals, materials, color, and aesthetics. In general, earth tones that harmonize with the natural desert environment are more likely to receive approval. The Committee may develop an appendix to these Guidelines with a list of paint tones and/or finish materials that are generally acceptable. In general, reflective surfaces and building or finish materials that contrast with the natural desert environment, such as metals, are not acceptable.

7. Doors & Trim. Exterior trim and front doors must be designed as integral elements of the home using compatible forms, materials, and colors. In general, garage doors and front doors made of wood, metal or other synthetic material in a color and texture to complement the exterior design and color of the home are more likely to receive approval. Colors for trim, front doors and garage doors must be approved by the Committee pursuant to the CC&Rs.

8. Roofs. Roofs potentially have one of the greatest impacts on the overall image of a building and other viewpoints within Lake Patagonia Ranch - B, including open spaces and neighboring Parcels. For that reason, roof design will be a carefully reviewed element by the Committee as it considers the nature, kind, shape, height, color, materials, and location of the proposed Improvements. Roofing materials, whether for new construction or for replacement of an existing roof, are to be submitted to the Committee for approval. All extensions from the roof, such as chimneys, flues, skylights, etc., should be carefully located and finished to complement other elements of the design. All chimneys and outlets from stoves, heating appliances and outside fire boxes must be protected from sparks by capping or screening, as required in the CC&Rs.

9. Accessory Structures. If any accessory building or other Improvement is to be constructed or installed on a parcel, including but not limited to barns, tack rooms, sheds, gazebos, other enclosures, etc., they should adhere to applicable guidelines for buildings and site planning and require review by the Committee. It is important that the mass and scale, as well as forms, materials and other detailing, be well coordinated with the main structure on the site and appear less prominent. As a reminder, the CC&Rs limit owners to the construction of only one single family dwelling unit with associated outbuildings for every 180,000 square feet within a parcel.

10. Landscaping. Following construction in all areas, including sloping terrain, the owner should take measures to mitigate erosion and dust. Reseeding with grasses and wildflower native to the area is recommended. All landscaping must be initiated within one year of issuance of the Certificate of Occupancy. Exceptions may be allowed for custom designed landscaping and/or irrigation systems, all of which are subject to the Committee's approval. To maintain an attractive appearance on all property, irrigation systems should efficiently distribute water to those plants which require it and be concealed below the topsoil. Lowwater consumption systems are encouraged. All landscaping is subject to the prior review and approval of the Committee.

11. Retaining Walls. Owners are encouraged to keep retaining walls as low as possible; in general retaining walls that do not exceed 6 feet in height are more likely to receive approval. If retainage of a slope higher than 6 feet is necessary, additional height may be approved if retaining walls are then terraced so that no single wall exceeds a maximum height of 6 feet, in order to minimize impact. Materials used should complement the natural surroundings and the architecture of the home with the use of rock boulders, stone, masonry or other materials compatible with the exterior of the home and the natural environment.

12. Fences and Screening. Lake Patagonia Ranch – B is located in a “fence out” area meaning that each owner is responsible for fencing out any livestock that may be within the boundaries of the development. Therefore, perimeter fencing is permitted on any parcel within Lake Patagonia Ranch – B. Any fencing or screening to be erected on a parcel must have prior approval in writing from the Committee. The CC&Rs limit the height of fences and walls to no more than 6 feet, but the Committee will review the height of all fences and walls, as directed by the CC&Rs, on a case-by-case basis in consideration of the visual impact of the proposed fencing. The Committee must also review and approve the materials and color of all fences and walls, as directed by the CC&Rs, according to the design principles and considerations discussed in these Guidelines. 13. Driveways, Culverts and Parking. In general, driveways that are be a minimum of ten (10) feet wide and sited so as not to interfere with any natural drainage or to create any additional erosion to Lake Patagonia Ranch – B are more likely to receive approval. Owners are independently and solely responsible for ensuring that their projects do not alter existing drainage in a manner that harms or otherwise negatively impacts neighboring properties or the community’s streets and is solely and entirely liable for any damages that result from the alteration in any way of any existing drainage. As provided in the CC&Rs, no motor vehicle (including ATVs, boats, snowmobiles and motorcycles) which is under repair or not in operating condition shall be permitted on a parcel or any road unless it is in an enclosed structure that the Committee has approved in writing.

14. Lighting. The Committee will review all plans for exterior lighting as part of its consideration of the nature and kind of an owner’s proposed Improvements or modifications thereto. In order to preserve the beauty and quality of the night sky, to the extent possible, outdoor light fixtures should be fully shielded. For purposes of this section, fully shielded shall mean fixtures constructed so that light rays emitted are projected below the horizontal plane of the fixture. However, security lights that are motion activated and time limited as well as low-level landscape lighting may be approvable. Lights used for holiday decorations from November 1 through January 15 are allowed and are excluded from the above requirements.

15. For Sale/For Rent and Construction Signs. In general, signage is inconsistent with the standards and aesthetics of the community and is unlikely to receive approval. However, owners may place any sign on their property if it is of the type, size, and materials specifically identified in A.R.S. § 33-1808, as amended, or any successor statute. Additionally, one temporary construction sign identifying the contractor, allowed during the time of construction only, shall be permissible on any parcel. Except as expressly authorized by statute, all signs are subject to Committee approval for appropriate use of materials and suitable location.

16. Flags. The installation and display of flags is subject to review and approval by the Committee, as part of its consideration of the nature, kind, materials, location, height, and color of proposed

Improvements, but in general the installation and display of flags is unlikely to receive approval. However, owners are permitted to display any of the flags identified in A.R.S. § 33-1808(A), as amended, or any successor statute; provided, the Association is unlikely to approve the display of more than two flags at any one time or the installation of a flagpole that exceeds the height of the rooftop of the primary residential dwelling on an owner's property. The Committee will also review the location of all proposed flagpoles to ensure their installation is consistent with the design principles and community aesthetics detailed in these Guidelines. Such review shall not result in completely prohibiting an owner from installing a flagpole in the owner's front or backyard.

17. Trash Receptacles. All areas used for storage of solid waste shall be screened from off-site views using materials and forms complementary to the main home. Except on designated trash pick-up days, no trash receptacle, except for yard waste, shall be kept outside of an enclosed screened area. Rubbish, garbage or other waste shall be kept and disposed of in a sanitary manner.

18. Antennae and Satellite Dishes. Placement of antennas, satellite dishes, and any other over-the-air reception device ("OTARD") requires prior written approval of the Committee, in its consideration of the nature, kind, materials, and location of proposed Improvements. However, the Committee's review of the placement and installation of OTARDs is subject to the requirements of the Federal Communications Commission's OTARD Rule.

C. Required Submissions from Owner

For any Improvements, the following should be submitted to the Committee:

- a. General Information: Lot # and address, property owner, mailing address, phone and email, Contractor/Builder, mailing address, phone and email, and Architect/Designer, mailing address, phone and email.

AND

- b. Specific Construction Information – New Construction:
 - 1) Site plan (with setbacks)
 - 2) Floor plan
 - 3) Roofing/siding/stain samples, if applicable, and
 - 4) Any requested variances.

Specific Construction Information – Changes to Existing Improvements

- 1) Copy of submission to Santa Cruz County for building permit, and
- 2) Any requested variances.

- c. Specific Construction Information – All Projects
 - 1) Identification of all exterior materials, paint colors, and other finishes, including all manufacturer's specifications and any other information the Committee may require
 - 2) Any material and/or paint samples as the Committee may require

D. Design Review Process

All Improvements must be approved by the Committee. Changes to any previously approved plans also require Committee approval. All design review applications for Improvements are sent to the Committee Chairman who will manage plan review and onsite inspection for the Committee and the Association. No leveling, excavation, grading, planting, landscaping, residence, outbuilding, fence or wall, construction, demolition, or other Improvement or work of any kind, shall be commenced, erected, placed, installed, or altered on any parcel, until the plans and specifications under C, and any other information as the Committee may require, above have been submitted to and approved in writing by the Committee. In reviewing any submitted plans and specifications, the Committee shall have the right, in the course of reviewing the nature, kind, shape, height, color, materials, floor plans, location, and approximate cost of such Improvements and other work, as required by the CC&Rs, to take into consideration the suitability of the proposed building or other structure in the context of the community's natural desert setting, the material which is to be used, the site upon which it is proposed to be erected, the harmony with the surroundings, and the effect of the proposed structure on the outlook from adjacent or neighboring property. Upon receipt of a design review application, the Chairman will perform an initial review to determine if the submission is complete. If the design review application is complete, the Chairman will confirm in writing to the owner or builder that the review process will commence, identifying the effective date of the submission for the purposes of beginning the thirty-day review period set forth in the CC&Rs, at Article I, Section 5. If initial submission is incomplete, the Chairman will contact the owner or builder in writing to advise the application is denied but may be immediately re-submitted with the additional information necessary to complete the submission and initiate review. The Committee's approval or disapproval as required in these Design Guidelines shall be in writing. Actions of the Committee shall be by the majority vote of the members of the Committee. As provide in the CC&Rs, in the event the Committee fails to provide its approval or disapproval within 30 days after the plans and specifications (along with any requested revisions or clarifications) have been submitted to it, the plans and specifications will be deemed to have been approved. Delivery of a submission to the Committee affirmatively represents the owner's consent, during reasonable hours and upon reasonable notice to the owner or other occupant of a parcel, to the Committee's right to enter upon and inspect any parcel, or other area, and the Improvements constructed or being constructed on it (except for the interior portions of any completed and occupied residence or garage) to determine compliance with these Design Guidelines and approved plans. No member of the Committee or a member of the Board of Directors, or any agent thereof, has the authority to verbally approve any plans or specifications or subsequent request for changes. It is the owner's responsibility to maintain copies of any approvals received to document the owner's compliance with the design review process. THIS DESIGN REVIEW PROCESS IS A REVIEW OF THE PROPOSED NEW HOME OR IMPROVEMENT, OR MODIFICATION THEREOF, FOR CONFORMANCE TO THIS DOCUMENT AND THE CCRs ONLY, AND DOES NOT GUARANTEE THE STRUCTURAL ELEMENTS OF THE PLAN, THE QUALITY OF CONSTRUCTION, OR CONFORMANCE TO APPLICABLE BUILDING CODES. THE ASSOCIATION, ITS DIRECTORS, OFFICERS, REPRESENTATIVES, EMPLOYEES, OR AGENTS, AND THE COMMITTEE, AND ALL OF ITS INDIVIDUAL COMMITTEE MEMBERS, HEREBY DISCLAIM ALL LIABILITY WHATSOEVER ARISING FROM THE APPROVAL OR DISAPPROVAL OF ANY PLANS OR OTHER SUBMISSIONS RELATED TO THE QUALITY, SAFETY, STRUCTURAL SOUNDNESS, FITNESS, OR LEGAL AND REGULATORY COMPLIANCE OF ANY IMPROVEMENTS EXISTING OR CONSTRUCTED, ERECTED, INSTALLED, OR MODIFIED ON ANY OWNER'S PROPERTY WITHIN THE ASSOCIATION.

Except as otherwise provided herein, any owner whose proposal has been disapproved, or has received a decision that he or she considers adverse, may appeal the decision to the Board of Directors within 30 days of receipt of the original Committee decision. The appeal must be in writing and state the reasons for the request for reconsideration or appeal of the decision and the relief requested. The Board shall review the appeal at a meeting of the Board of Directors and may require the appealing owner to provide additional information to facilitate its consideration of the appeal. The Board of Directors shall issue a written decision to the owner within 15 days after resolving on its decision at the meeting during which it considered the appeal. Decisions of the Board of Directors in this regard shall be binding and conclusive.

Neither the Committee, nor the Board of Directors of Lake Patagonia Ranch - B or their members and their respective successors or assigns, shall be liable in damages to anyone submitting drawings or specifications to them for approval, or to any owner or other person by reason of any action, mistake in judgment, failure to act, negligence, approval or disapproval or failure to approve or disapprove with regard to any matter within the scope of these Design Guidelines. Any owner submitting plans to the Committee, and any owner, by acquiring title to any parcel, waives his/her claim for damages or other relief arising under the architectural review process established in these Design Guidelines or by the Board of Directors.

E. Construction Regulations

1. All contemplated Improvements, once commenced, must be fully completed on the exterior within six (6) months of commencement date.
2. Owners are responsible for maintaining construction sites in a neat and tidy condition with all construction materials and debris adequately screened and stored in a manner that makes them as minimally visible from streets or neighboring properties as possible. Such materials and debris must also be stored, and the construction site otherwise maintained, so as to limit to the greatest extent possible dust, runoff, loose debris, or any other nuisance or annoyance that interferes with the use or enjoyment of neighboring properties or the community streets. All construction waste must be promptly disposed of at the earliest possible opportunity.
3. Owners are responsible for restoring all roads, including the graveled and/or paved surfaces, trails and ditches within Lake Patagonia Ranch - B, to its original condition when they are disturbed and/or damaged due to the installation of driveways, culverts, utilities, construction of any Improvement to owner's respective parcel, or from the use of such roads by construction equipment and vehicles.
4. No construction may be started on any residential lot until the owner has installed a driveway, with a culvert where one is needed to preserve the road and ditches due to run off, for a minimum of fifty (50) feet onto the lot. The approved access drive will be the only construction access to any lot. On any property where a culvert is required, the property owner must ensure the exposed culvert ends are protected from erosion.