



ARCHITECTURAL REVIEW COMMITTEE RULES AND REGULATIONS

CHAPTER 1.0: OBJECTIVE AND AUTHORITY OF ARCHITECTURAL REVIEW COMMITTEE

1.1 DEVELOPMENT OBJECTIVES

1.1.1 Natural beauty is a primary feature of Black Butte Ranch. The need to preserve this beauty has led to the establishment of design recommendations and restrictions. These are the result of studies made by the developer of Black Butte Ranch and professional consultants. The Architectural Review Committee ("ARC") shall regulate the external design, appearance and location of the homes and improvements on private, corporate and common properties to (a) promote environmental qualities which maintain property values (b) foster the attractiveness and functional utility of the community with a harmonious relationship between structures, vegetation and topography. These Rules and Regulations are designed to delineate the Committee guidelines.

1.2 ARC PROCEDURES BASED UPON MASTER DESIGN OF BLACK BUTTE RANCH

1.2.1 FUNCTION OF ARCHITECTURAL REVIEW COMMITTEE

The ARC shall exercise the functions for which it is given responsibility in any Black Butte Ranch Declaration and in the Master Design. Generally, this Committee will be responsible for the approval of plans and specifications for the development of private areas and for the promulgation and enforcement of its rules and regulations governing the use and maintenance of private areas and the improvements thereon. The ARC, or its designated representative, must review all proposals affecting either Association or Corporation property and approve them by a majority vote of the members of the Committee prior to their implementation. (MD Section 8.1)

1.2.2 ACTION

The Committee shall render its decisions only by written instrument setting forth the action taken by the members consenting thereto. (MD Section 8.4)

1.2.3 APPEAL PROCEDURE - APPLICANT

If any request is not approved, the ARC shall state, as part of its written decision to the applicant, the reason(s) for disapproval. The following procedure must be followed to affect a review.

- (a) The applicant shall file a written request for review with the ARC within ten days after receipt of notice of the ARC decision. The applicant request shall specify item(s) for review.
- (b) The ARC shall notify the appealing applicant of the date and time on which the ARC will review the application. The applicant or a representative may be present at the review of the application, or may submit his/her point of view in writing.
- (c) If the ARC again rejects the application, the applicant may submit a final written appeal to the Association Board of Directors within ten (10) days after receipt of the final appeal decision of the ARC. The ARC will be invited to attend the meeting of the Board of Directors in which the appeal will be heard. The Board of Directors establishes the date and time the appeal will be heard, and may, upon proper vote of the Directors, confirm, modify or reverse the findings of the ARC (MD Section 8).

1.2.4 NONWAIVER

Consent by the ARC to any matter proposed to it or within its jurisdiction shall not be deemed to constitute a precedent or waiver impairing its right to withhold approval as to any similar matter thereafter proposed or submitted to it for consent. Conditions existing as of April 1987 shall not be considered to be violations of these rules, nor shall they be construed as a precedent, which must be followed, by the ARC or a waiver of the Committee's right to withhold approval of any similar condition. (MD Section 8.6)

1.2.5 LIABILITIES

The ARC is responsible for the administration of the rules and regulations in the Master Design, declarations establishing homesite sections, and these guidelines as they pertain to site-planning and architectural control. The ARC is not responsible for the administration or enforcement of land-use or building standards imposed by the State of Oregon or Deschutes County. The ARC will not consider and assumes no responsibility for the structural capacity, safety features, or building codes compliance of the proposed improvement or structures. Neither is the ARC responsible for the internal operation or functional integrity of the improvement. Consistent with the Master Design, the members of the ARC or the General Manager of the Association Board carrying out its contractual responsibilities are not liable for claims of loss, damage or prejudice for actions, or failure to act, provided that they are acting in good faith. (MD Section 8.7)

1.3 ADDITIONAL PROCEDURES OF ARC

1.3.1 FAILURE TO ACT

If at any time the ARC shall for any reason fail to function, the Board of Directors of the Association shall have complete authority to serve as a pro tem ARC.

1.3.2 DUTIES

The ARC shall consider and act upon all matters properly submitted to it pursuant to the Master Design or in any section declaration. The ARC may establish a reasonable fee to be paid to it to cover its costs incurred in considering and acting upon matters submitted to it. Such fees shall be paid into the general fund. A current copy of the ARC Rules shall be kept on file at the principal office of the General Manager of Black Butte Ranch at all times. Such rules shall have the same force and effect as if set forth herein as part of the Master Design. (MD Section 8.5)

1.3.3 POWERS OF GENERAL MANAGER

In addition to such other powers as shall be given to or imposed upon it by the Master Design and by any Black Butte Ranch declaration, the General Manager of Black Butte Ranch shall have the following powers: The promulgation and enforcement of the Black Butte Ranch Rules and Regulations and the enforcement of the ARC Rules and Regulations and the decisions of the ARC.

1.3.4 NONCOMPLIANCE WITH ARC RULES AND DEVELOPMENT OBJECTIVES

In the event any owner constructs or permits to be constructed on his property an improvement or otherwise creates a condition contrary to ARC development objectives or provisions of these rules or the Master Design, the General Manager shall fine the owner in accordance with a schedule of fines on file at the ARC office and incorporated into these rules by this reference (following notice of violation, owner shall have sixty (60) days in which to remedy said violation). Said fine shall be levied by the General Manager no less than 60 days after giving notice of the violation to the owner. Said fine shall be levied daily thereafter so long as the violation exists No less than 60 days after giving notice of the violation to the owner, the General Manager shall also enter upon the subject property and remove the cause of the violation or alter, repair, or change the condition which is in violation of these rules or the Master Design in such a manner as to make it conform thereto. The General Manager shall charge the owner for the entire cost of any work done to correct the violation. These costs shall be charged to the owner in addition to any fines levied for the violation. Costs and fines shall be paid into the Association's general fund.

1.3.5 RIGHT OF ENTRY

The ARC or its designee may at any reasonable time, with reasonable notice, and from time to time at reasonable intervals, enter upon any property at Black Butte Ranch for the purpose of determining whether or not the use of such Unit or any improvement thereon is then in compliance with the Master Design. No such entry shall be deemed to constitute a trespass or otherwise to create any right of action by the Unit owner or occupant of such parcel.

1.3.6 EXPENSES AND ATTORNEY'S FEES

The ARC Rules and Regulations constitute a contract between the owner and the Association. Consequently, any violation of these Rules and Regulations shall constitute a breach of contract affording to the Association all rights and remedies allowable under Oregon law. Such rights and remedies are in addition to the right to fine and charge the owner the cost of correcting the violation as outlined in section 1.3.2. In the event that the Association retains counsel for the purpose of enforcing any provision in these Rules and Regulations against an owner, then the owner shall be liable to the Association for all attorney fees, costs, and expenses incurred by the Association in the enforcement process. Said process includes but is not limited to the attorney fees, costs, and expenses incurred prior to the commencement of any legal action, during the pendency of any legal action including appeals, and in the execution of enforcement of any judgment obtained in the legal action.

1.4 APPLICABLE PROVISIONS OF CONDOMINIUM ASSOCIATION DECLARATIONS

Each condominium association at Black Butte Ranch is organized pursuant to a declaration. The ARC will make reference to each condominium association declaration in reviewing any application submitted to it by any owner pursuant to these Rules and Regulations.

1.5 CONSTRUCTION ALTERATION - IMPROVEMENTS IN PRIVATE AREAS

No owner or association of owners shall enter into a covenant, easement, condition or restriction created by or between one or more Owners, construct or reconstruct any improvement on any Unit or alter or refinish the exterior of any improvement of any Unit, make any change in any Unit, whether by excavation, fill alteration or existing draining, or the cutting or removal of live vegetation, shrubs or trees, install a utility, outside antenna or other outside wire on a Unit, asphalt a drive or parking area, unless such owner or association of owners has first obtained the consent thereto of the ARC. The ARC may take into consideration the "suggested building and access areas" found in each Lot description given to the buyer at the time of sale. A complete property line survey by a registered Professional Land Surveyor shall be required for all new construction and may be required for additions to existing structures.

1.6 STOP WORK ORDERS

1.6.1 CONSTRUCTION, ALTERATION OR IMPROVEMENT WITHOUT ARC'S APPROVAL.

In the event any Unit Owner maintains, constructs or permits an improvement or alteration to be constructed on his Unit in violation of the provisions of the Declaration, the Bylaws or these Rules and Regulations, and without the written approval of the ARC, the ARC shall notify the Unit Owner in writing of the nature of the violation, require the Unit Owner to cure the violation within thirty (30) days from the date of the notice, and may issue a stop work order to the Unit Owner and contractor. Any Unit Owner who receives notice of a violation shall have ten (10) days from the date of the notice to contest such a notice in the manner set forth below in Section 15.4.

1.6.2 FAILURE TO COMPLY WITH CONDITIONS OF ARC'S APPROVAL

If upon inspection of a Unit Owner's approved architectural action, the ARC or its designee finds that the work fails to conform to these Rules and Regulations, the approved plans and any conditions mandated by the ARC, the ARC shall notify the Unit Owner in writing of the nature of the violation, require the Unit Owner to cure the violation within thirty (30) days of the date of the notice, and may issue a stop work order to the Unit Owner and contractor. Any Unit Owner who receives notice of a violation or a stop work order shall have ten (10) days from the date of the notice to contest such notice in the manner set forth below in Section 1.6.4.

1.6.3 STOP WORK ORDER ENFORCEMENT

In the event a stop work order ("Red Tag") is issued, a notice shall be placed over the Deschutes County Building Permit issued for construction describing the property in violation, stating "STOP WORK ORDER". Written notice of any Red Tag shall be given to the Black Butte Ranch Board of Directors, the local building authority, and owner. In the event the Red Tag is violated, the ARC acting through its Chair may seek an injunction to force compliance. In addition, a fine may be levied in conjunction with the Red Tag or the refusal to comply therewith. Any fine levied there under shall be in accordance with Section 1.3.2 of these Rules and Regulations and subject to appeal pursuant to Section 1.6.4 of these Rules and Regulations.

1.6.4 PROCEDURE TO CONTEST NOTICE OF VIOLATION AND STOP WORK ORDER

- (a) The Unit Owner who is the subject of a notice of violation or Red Tag may contest such notice or order by notifying the Chair of the ARC or its designated representative. Any Red Tag shall remain in effect pending such contest. The notice contests must be in writing and must set forth the reason for the contest. Within ten (10) days of the date of the Unit Owner's written contest, the ARC shall hold a hearing at which time the Unit Owner shall have the opportunity to present his or her case. Within five (5) days of the hearing, the ARC shall render a written decision that shall be sent to the Unit Owner and the Board of Directors. If the decision is unfavorable to the Unit Owner, the Unit Owner shall have thirty (30) days from the date of the decision to cure the violation. The Red Tag, if any, shall remain in effect until the Unit Owner cures the violation to the satisfaction of the ARC and pending any appeal to the Board of Directors.

(b) A Unit Owner may appeal a Red Tag of the ARC by notifying the Board of Directors. The appeal must be in writing, set forth a reason for the appeal and must be submitted within ten (10) days of the issuance of a decision by the ARC. The Board of Directors, or a committee thereof, shall, within ten (10) days of any such appeal, at a regular or special meeting, hold a hearing at which time the Unit Owner shall have the opportunity to present his or her case. Within ten (10) days of the hearing, the Board of Directors, or its committee, shall render a written decision that shall be sent to the Unit Owner and the ARC. The decision of the majority of the Board or Board Committee shall be final and subject to no further appeal. If the decision is unfavorable to the Unit Owner, the Unit Owner shall have ten (10) days from the date of the decision to cure the violation.

(c) The ARC shall monitor the observance of either its decision or any decision rendered by the Board of Directors or a Committee thereof. If the Unit Owner fails to cure the violation to the satisfaction of the ARC, they shall have the authority to enforce the stop work order pursuant to Section 1.6.3 and/or cure the violation and charge the Unit Owner for the entire cost of the work done by it pursuant to this Section. Such amount shall become payable upon delivery by the ARC to the Unit Owner of notice of the amount due, and shall be paid into the Association's general fund except to the extent that the cost being reimbursed was paid out of any particular fund or account, in which case the particular fund or account so used shall be reimbursed."

CHAPTER 2.0: PROCEDURES

2.1 MEMBERSHIP

2.1.1 TERM AND REMOVAL

The ARC shall consist of six members, all of whom must be Black Butte Ranch property owners, appointed by the Board of Directors of the Association. Members may be removed and replaced at any time by the Association Board. The General Manager shall keep on file at the principal office a list of names and addresses of the members of the ARC.

2.1.2 TERM

Each member shall serve for a term of three (3) years. A member may serve for more than one term, but not more than two successive full terms. Maximum numbers of continuous years if a "term filling" is included prior to an opening advertisement is 8 years. Each term commences on January 1, and expires on December 31 of the third following year.

2.1.3 VACANCIES

Vacancies in the members of the ARC shall be filled by appointment of Association Board of Directors, based on recommendations from the ARC. The ARC shall post notices of term openings by September 15. Appointment recommendations shall be submitted to the Board of Directors for approval before the January start of the next term. Posting notice will also include if an incumbent member is seeking reappointment. A file will be maintained of those interested in serving. A notice of any committee openings will also be posted on the bulletin board across from the post office boxes. Available openings will also be published in Ranch communications. Approval of all committee members is subject to paragraph 2.1.1 above.

2.1.4 ATTENDANCE

If any member shall have two unexcused absences per year in regularly scheduled meetings that member may be removed from office by the members of the committee and a new member shall be appointed and pursuant to Section 2.1.3, approved by the Association Board.

2.2 MEETINGS

2.2.1 PLACE OF MEETINGS

All meetings of the ARC will be held at Black Butte Ranch. Notice of all meetings shall be posted on the post office bulletin board and online at least five (5) days in advance of the meeting. All meetings of the ARC shall be open and homeowners shall be permitted to attend.

2.2.2 REGULAR MEETINGS

A regular meeting of the Committee shall be held each month during the year, except December, during which month there shall be no regular meeting of the Committee.

2.2.3 SPECIAL MEETINGS

The Chair of the Committee may call special meetings. The special meetings may be held at such reasonable times and places within Black Butte Ranch as the Chair may determine, and shall be limited to only those items of business described in the notice of such special meetings.

2.2.4 QUORUM

A majority of the members shall constitute a quorum.

2.3 OFFICERS

2.3.1 DESIGNATION AND ELECTION

The principal officers of the Committee shall be a Chair and a Vice-Chair. The officers of the committee shall be elected annually by the members at the first regular meeting of each calendar year and shall hold office for a term of one year. The officers may be elected for more than one term.

2.3.2 CHAIR

The Chair shall preside at all meetings of the Committee, and shall have the general powers and duties that are set forth in these Rules and Regulations.

2.3.3 VICE - CHAIR

The Vice-Chair shall take the place of the Chair and perform his/her duties whenever the Chair shall be absent or unable to act.

2.3.4 COORDINATOR.

The Coordinator shall be an employee of the Corporation unless otherwise filled by a member of the Committee, and shall be a non-voting position. The Coordinator shall keep the minutes of all meetings of the committee, appropriate records of the names and addresses of the members and shall perform further duties of the office of Coordinator as set forth in these Rules and Regulations.

2.4 RECOMMENDED AMENDMENTS OF RULES AND REGULATIONS.

Any member of the Committee may recommend amendments of these Rules and Regulations. If the recommended amendment is approved by a four out of six votes of the Committee, it shall be referred to the Association Board for consideration.

2.5 NOTIFICATION OF ARC ACTION.

2.5.1 Any change in the Rules and Regulations by action of the Association Board, whether by adoption of a new rule or by amendment or repeal of an existing rule, must be approved by a two-thirds vote of the directors of the Association present at a regular meeting of the Association Board. Any new rule(s) shall be considered to be temporary until the next regular meeting of the Association Board.

2.5.2 A notice setting forth the change in the Rules and Regulations as approved by the Association Board, together with an explanation of the change, will be provided to each Owner within a reasonable period of time after its adoption. The notice will invite Owners to comment on the temporary rule(s).

2.5.3 At the next regular meeting of the Association Board following the adoption of the temporary rule(s), the Association Board will give serious consideration to all of the comments received by owners and it shall make such additional changes in the temporary rule(s) as it may deem appropriate. Upon the approval of two-thirds of the directors of the Association present, the rule(s) shall become final and effective fifteen (15) days thereafter.

3.1 CONSTRUCTION SUBMITTALS

3.1.1 FINAL CONSTRUCTION APPROVAL

PURPOSE: Before any improvement may be constructed at Black Butte Ranch, whether by excavation, fill, alteration of existing drainage or the cutting or removal of existing vegetation, shrubs or trees, asphalt a drive or parking area, and so forth, the owner must obtain a construction approval letter from the Architectural Review Committee. The purpose of this section is to outline the steps required for construction approval. Plans submitted to the ARC should be of the professional quality and accuracy that the Deschutes County Building Department requires; easy to read, clean, and contain sufficient information and detail.

PROFESSIONAL LAND SURVEY: Before the ARC will consider plans for construction, the owner shall be responsible for providing a survey of a string layout (string-line certification) of the property lines, building circle, buildings, driveway and parking area. A registered professional land surveyor must certify the position of the string layout.

SITE PLAN: The application must be submitted with a complete site plan with a minimum scale of 1" equals 20' which shows the exterior perimeter of the lot, any trees located on the Lot, any significant topographical features, proposed location of driveway, pathways, easements, and setbacks. Properties facing National Forest Service must comply with current forest service regulations.

FLOOR PLAN: A floor plan of a scale of 1/4" equals 1' shall be submitted showing the proposed improvement.

SUBMITTAL FORM: The ARC submittal form shall accompany the application. The ARC submittal form shall specify the name, address and phone number of the contractor or designer. The submittal form must be signed by the owner and received in its original form. Faxed copies will not be accepted. A check in the appropriate amount for the construction deposit must accompany the submittal form and be signed by the owner. Owner shall ensure their property has a current certification for compliance with BBR Lot Certification Standards prior to submitting an application to make alteration or improvement as required by ARC Rules and Regulations. Current compliance is a requirement precedent for any ARC action.

NOTIFICATION OF ACTION: The owner shall be notified in writing of the action of the committee within 10 working days after review by the ARC at their next regularly scheduled meeting. If the construction is outside of the suggested building area, the owner will be notified after the specified time period allowed. Generally, the time period is 30 days.

APPROVAL: The preliminary approval shall not be deemed to be approval for the construction of the improvement. The preliminary approval shall be valid for a period of six months, at which time it shall expire. Preliminary approval is given to the current owner(s) of record and is not transferable. New owners need to resubmit plans for approval.

SUBMITTAL DEADLINE: The original completed submittal form, fee, site plan, elevations, check signed by the owner and floor plans must be submitted to the ARC Office no later than noon, fourteen (14) days prior to the meeting.

INSPECTION: Submittal of an application is authority for the ARC to make a physical on-site inspection of the proposed lot and improvements. In addition thereto, the owner or his representative shall be responsible for notifying the ARC of when construction of the proposed improvement has begun, when the foundation forms are in place (prior to pouring of concrete) for inspection, and when the improvement is complete, at which time the ARC shall again make an inspection to verify compliance with the plan as submitted.

FEE: The application shall be submitted with the required fee in an amount set by the Committee in the form of a check signed by the owner.

FINAL APPROVAL: Completion of the exterior of the home to the satisfaction of the ARC shall be within one year. If the owner is unable to complete the exterior of the home within one year, submittal for extension of construction approval must be reviewed by the Committee sixty days before expiration of the current approval. Owners who fail to obtain extension of the approval are required to resubmit plans for Committee consideration and are responsible for all applicable fees. Prior to the issuance of the deposit refund the ARC office must receive written notification from the Lot Certification office that the property has been approved and certified, having met BBR Lot Certification Standards. All plans will be destroyed after the final inspection is complete and refund check has been issued.

CHAPTER 4.0: ARCHITECTURAL RULES AND DESIGN GUIDELINES

4.1 DESIGN GUIDELINES

4.1.1 CLIMATE

The climate of Black Butte Ranch differs greatly with each season. Summertime temperatures can reach as high as 90 degrees Fahrenheit with a daytime average of approximately 75 degrees Fahrenheit. Wintertime average temperatures are between 30 to 40 degrees Fahrenheit with infrequent period records of 30 below 0 Fahrenheit. Insulation, heating systems, foundations and sewer and water service should be installed based upon these temperature differentials. Because of the existing frost depth, all foundations should extend to a minimum depth of approximately 20" below finished grade with sewer and water services installed at the same depth. Annual precipitation is approximately 18" per year and occurs mostly in the form of snow. Consideration should be given to snow and ice dam buildup in roof designs. Roofs, clerestories, skylights and decks should be designed based upon accumulative snow depths in excess of 3 feet.

4.1.2 SOIL CONDITIONS

In general, soils are light and porous and are composed principally of pumice and light volcanic soils with an estimated bearing capacity of 2000 pounds per square foot. Many areas are subject to rock out-croppings that will necessarily preclude basements or unusually deep excavations.

4.1.3 DRAINAGE

The existing drainage on each lot should be carefully considered when siting an improvement. The natural drainage pattern should be preserved if possible. Many parts of the Ranch have a high water table and this should be a consideration when building.

4.1.4 UTILITIES

Electric power is available at Black Butte Ranch from Central Electric Co-Operative. Heating oil and propane gas are available from local suppliers. Natural gas is not available at the Ranch. Telephone service is available from Century Link. All connections from trunk lines to individual structures must be underground. Exposed plumbing and electrical lines are not allowed. Materials must conform to the State Electrical and Plumbing Codes. Water and sewer hookups must comply with all Ranch sewer and water rules and regulations (copies available at Utilities Department) and be inspected by the state inspector and the Utility Department. All excavation for site utility hookups must be restored to its natural conditions. All exterior electrical panels and meters must be concealed with an adequate viewing area for the meter reading and removable without mechanical fasteners.

4.1.5 DESCHUTES COUNTY REQUIREMENTS

All construction at BBR shall conform to the Building Code, latest addition and permit requirements, administered by the Deschutes County Building Official.

4.2 ARCHITECTURAL RULES

4.2.1 ACCESSORY BUILDINGS

Only buildings to be used as temporary construction shelters may be erected on a lot prior to construction of the main residence building. Free standing structures such as doghouses and/or runs, tool sheds, etc. are not approved.

4.2.2 ADJACENT PRIVATE PROPERTY

Adjacent private or common property may not be used for access to any construction site under any circumstances. Adjacent property or common property, e.g. cul-de-sacs, may not be used as parking lot by any contractor or subcontractor working on the lot. Damage to adjacent property shall be the responsibility of the Lot owner.

4.2.3 ANTENNAS

Antennas or any other electronic device must be submitted for approval to the ARC prior to installation. The device must be painted black or a blending color with the house and be attached to the house. Large antennas or satellite dishes are not allowed.

4.2.4 BUILDABLE AREAS

Each building site in Black Butte Ranch contains an established and documented building area chosen for its privacy and orientation. The building area is a circle 100' in diameter and may not be entirely within the site boundary lines. The location of the circle is indicated on a plat map available at the Association office. The circle is a recommended site for locating a home, however depending on design, topography, trees, relative position to adjoining property, privacy, view opportunities, orientation and other factors, the ARC may consider another site. If part or parts of any structure is intended to be located outside of the approved building site area, adjacent property owners will be notified and invited to comment upon the proposed location of the home. The Committee may take these comments into consideration before granting approval. Setbacks for all construction shall be the greater of ten feet (10'-0") or dimension of any applicable easement requirement. No encroachment of construction into setback area is allowable except for the replacement of existing structure or with proof of hardship.

4.2.5 BUILDING HEIGHT

Building height limitation may be imposed by the ARC in order to preserve views from neighboring homes into common areas and to minimize the impact of structures on sensitive natural areas of the Ranch.

4.2.6 CHIMNEYS

All exterior chimneys must be of wood, stone or metal. No brick or unit masonry will be allowed. A metal chimney must be on such a color as to blend in aesthetically with the residence and will be subject to approval by the ARC.

4.2.7 CLOTHESLINES

Exterior clotheslines, clothes racks, etc. must be located in screened service yards and out of view from neighboring properties, roadways or the golf course.

4.2.8 DRIVEWAYS

Driveway cuts onto Ranch roads will be limited to one per lot. Because of climatic conditions the ARC does not approve poured concrete driveways. Paver stones are allowed with prior approval from the ARC.

4.2.9 DUPLICATION

Duplications in plans are discouraged and will be allowed only at the discretion of the ARC.

4.2.10 EXCAVATION

All excavation must be done so as to create a minimum disturbance on the site. All dirt and debris as a result of excavation must be removed from the site. Downed material must be removed at the same time.

4.2.11 EXTERIOR LIGHTING

All exterior lighting plans must be submitted to and approved by the ARC before installation. Exterior lighting must be fully shielded. "Shielding" is provided for a lighting fixture by design of such fixture or by an externally applied device such as a hood of metal, wood or painted glass that does not allow transmission of light. Fully "shielded" means outdoor light fixtures shielded or constructed so that light rays emitted by the fixture are projected below the horizontal plane. "Directed shielding" means shielding by design or external application that directs light downward and limits direct line-of-sight of a fixtures lamp. The light source must not be visible. Colored light sources and colored glass is prohibited. Decorative lighting, other than Holiday lighting, is not allowed. Pathway lighting is allowed for safety purposes only. Landscaping lighting for any other purpose is not allowed.

4.2.12 EXTERIOR WALLS AND TRIMS

Natural wood species are recommended for all exterior walls. All exterior siding must be submitted to the ARC for approval. The siding must run one consistent direction on all exterior walls and be of the same material. Replacement of shingles or shakes originally approved by the ARC prior to June 1, 1993 may be considered but they must be treated with a fire retardant solution. It is mandatory that the ARC approve the color of all building exteriors, including roofing, walls, trim, any exposed metal doors, windows, and fixtures. This regulation applies to new construction, alterations and improvements including the refinishing of any unit. The use of lattice is not allowed. The use of synthetic rock is not allowed.

All exterior paint colors shall be submitted to the ARC office for approval prior to starting of project. The range of approved colors will be maintained in the ARC office. These colors will be available to assist you in selecting colors within the approved range. Unless otherwise finished to match the approved exterior colors, aluminum windows, door frames, light fixtures, and skylights must be bronzed or anodized. Exterior colors must blend with surrounding landscape.

The use of glass block is discouraged except in very limited situations. If an owner feels that the use of glass block is necessary, the plans and drawings must be submitted to the ARC for review and approval. Generally speaking, the ARC would prefer to see installation of the pre-assembled opaque glass block units with wooden spacers. The glass block must be unobtrusive. For example, no great expanse on a front wall viewed from the street would be acceptable.

The use of copper on a limited basis may be approved but must have patina applied before installation. All requests for the use of copper must be shown on the submittal form, building and landscape plans and approved by the committee.

Awnings may be approved on an individual basis, although canvas, synthetic and plastic awnings are specifically prohibited.

4.2.13 FENCING/SCREENING

Fences on private homesites are prohibited at the Ranch. A fence is defined as a structural barrier which separates one space from another to define property boundaries or which is constructed for ornamental purposes regardless of height. However, architectural extensions attached to the main structure designed as screening for parking, wood storage, garbage disposal areas, and other service areas may be approved by the ARC.

4.2.14 FIRE HAZARDS

Exterior fires are not allowed during the fire season as outlined by the Black Butte Ranch R.F.P.D. Uniform Fire Code. Exterior fires are authorized only by permit from the Fire Department of Black Butte Ranch. Each owner of private areas within the Ranch shall be responsible for eliminating any additional fire hazards on their property, such as downed timber, excess ground cover, pine needles and thinning of dense thickets of trees. Removal of any green trees over 9.6" in diameter at the base of the tree requires the approval of the ARC. All tree removal over 9.6" in diameter at the base must be approved through the Lot Certification office (541-595-1529).

4.2.15 FOUNDATIONS

Deschutes County requires that footings be placed at least 20" below finished grade for protection against heaving due to frost conditions. The load bearing capacity of soil should be examined on the particular site. Continuous foundations should be outside the drip line of all trees that are to remain on the lot. A point foundation should be considered if the building is to be placed closer than the drip line to the trees. The foundations should be installed in such a way as to avoid cutting the roots of major trees. Unit masonry foundations, such as concrete block foundations, are not permitted.

4.2.16 GARAGES AND CARPORTS

If a garage is utilized it must be fully enclosed and connected to the main house by a roof or screen or be part of the house structure unless topography lends to other placement. Consideration should be given to relating the design of the garage to that of the residence. Garages must have doors. Construction of carports at Black Butte Ranch is prohibited as of January 1, 1993.

4.2.17 GARBAGE CANS

All garbage cans must be placed in areas screened from the view of adjoining property, roads, and the golf course, or contained within a structure of the same siding as the residence, and shall be designed to provide outside access. The ARC must first approve any such structure.

4.2.18 OUTDOOR MECHANICAL, ELECTRICAL, PLUMBING EQUIPMENT & ACCESSORIES

The ARC must approve heat pump, propane tank, solar equipment and photovoltaic panels locations before installation. All exterior heating and/or cooling system components must be screened from view, including all neighboring property, roads and golf courses. Screening must be attached to the house, be at least 4' high and consist of the same siding and color as the house. Screening must be completed within 30 days of installation of the system. If complaints are issued regarding noise, it is the responsibility of the owner and complainant to resolve the problem. As with all exterior changes, heating and cooling systems must follow Ranch submittal guidelines. The proposed location for the system must be staked at the time of submittal.

4.2.19 HOURS OF CONSTRUCTION OPERATION

Hours of construction operation are to be limited to 7 a.m. to 5 p.m. Monday through Saturday. Construction is not allowed on the following holidays: Memorial Day, 4th of July, Labor Day, Thanksgiving, Christmas and New Year's Day.

4.2.20 NEWSPAPER HOLDERS

Newspaper holders are prohibited.

4.2.21 MULTI-FAMILY DWELLINGS, DUPLEXES AND ATTACHED APARTMENTS

Multi-family dwellings, duplexes, and attached apartments are prohibited. These types of units are in violation of applicable Deschutes County Zoning Ordinances. Only one kitchen and one electric meter per unit will be approved by the ARC.

4.2.22 PARKING

A minimum of two parking spaces, adjacent to the house, shall be required for each residential homesite. Camping trailers, trucks, recreational vehicles, campers, boats, boat trailers, utility trailers, and motor homes must be parked in the compound specifically designated for such vehicles, or stored in a fully enclosed garage. Unlicensed mobile construction equipment is allowable for special needs only and shall be removed as soon as not an integral part of the work.

4.2.23 ROOFS

Roofing materials shall be Class A material of a minimum weight 300 pounds per square. Allowed roofing systems are on file at the ARC Office. All roofs shall be designed to accommodate the maximum snow loads as required by Deschutes County Building Code. Roofs should be designed to protect against ice and snow dams and to prevent accumulations of snow. Wood roofs are not allowed on new construction or roof repairs or additions greater than ten percent (10%) of the total roofing area.

4.2.24 HOMESITE IDENTIFICATION MARKERS AND SIGNS

Residential identification (a street number) is required for each homesite in order to provide emergency service departments with specific locations per State ORS 401.720 and Deschutes County Ordinance 81-016, the latter ordinance carrying a \$500 maximum fine for non-compliance. With the exception of condominiums, cluster houses and non-residential facilities which have special requirements, all residences must have Deschutes County issued street numbers either on the building in such a position as to be plainly visible and legible from a distance of fifty feet (50') or on an approved post placed within a twenty foot (20") radius of the intersection of the closest street and the driveway of the residence and must face the street. Address signs and posts previously approved by the ARC will be allowed so long as the proper numbers are routed or securely applied and are clearly visible from the street.

All numbers on posts must be of an approved size, either routed onto the post or securely affixed thereto, and painted black. Posts themselves may be unpainted or stained to harmonize with natural wood tones or the home color.

Street numbers placed on buildings shall contrast with their background and be painted black. Drawings and specifications of approved markers (posts) are available from the ARC office. All other marker designs (except those previously approved) must be submitted to the ARC for approval, showing the proposed location and applicable submittal fee. No lighted signs shall be permitted. The ARC upon written request may grant exceptions to the sign criteria.

Homeowner identification signs will be permitted, but must conform to the following specifications:

- Maximum size - 200 square inches.
- Made of natural colored wood. Letters may be carved or painted in black.
- Top of sign will be not more than 48 inches from the ground. One or two natural-wood posts may support sign.
- Sign will be set back six feet from property line.
- Sign will contain only the homeowner's name and lot number.

Other than specified above, all other homesite or dwelling identification signs, including lot numbers, names, reflectors, insignia, plaques or symbols are prohibited.

4.2.25 SIGNAGE

One sign identifying the contractor or advertising a sale is permitted. The sign must be single sided with black lettering on a white background. Signs shall be 20" wide and 15" long. No plastic signs are allowed. The sign shall be on its own post and shall not be placed higher than 42" from the ground. The sign must be maintained in an upright position and be in good repair. Signs shall be parallel to the road. Signs shall be at least 20' from the road. No signs are permitted in windows. No sale sign on property contiguous to either GM or BM shall be placed on the side of the property facing the golf course. No signs are permitted in condominium sections or on common areas.

Any other signs, flags, banners, or devices used to attract the public, whether on the road, on the property, displayed in windows, etc. are strictly prohibited. Non-conforming signs will be removed.

The contractor sign shall be limited to the name and phone number of the contractor. The words "Contractor" or "General Contractor" may be added if not contained in the firm name. A Company logo may appear on the sign. Subcontractor signs are prohibited. Contractor signs must be removed upon completion of construction.

Wording of a "For Sale" sign shall be limited to the words "For Sale" and name and phone number of the listing real estate agency or "owner" if for sale by owner.

Fines may be imposed against Realtors or owners for signs not meeting ARC standards for size, color, and other specifications and will be removed from the premises where displayed. Signs will be held for 14 days by the ARC to be claimed by owner after which time they will be disposed of.

4.2.26 SOLAR HEAT SYSTEMS

Any solar heat systems must be reviewed on an individual basis and requires ARC approval.

4.2.27 SPARK ARRESTORS

Spark arrestors are required on all wood burning heating devices other than a pellet stove.

4.2.28 STAGING AREA

Each construction approval submittal must designate at least one staging area for a homesite, subject to approval by the ARC. Construction sites must be kept clean with all disposable debris located in one area.

4.2.29 WELLS

Wells and other independent water systems are prohibited.

4.3 LANDSCAPING POLICIES

4.3.1 FIREWOOD

Firewood is to be stacked in an orderly manner, be unobtrusive and consistent with Senate Bill 360 requirements. Tarps covering wood must be brown. Nonconforming tarps will be removed at the owner's expense without notice.

4.3.2 LOT CERTIFICATION AND DEFENSIBLE SPACE

All Black Butte Ranch Lots shall be inspected and achieve Black Butte Ranch certification by meeting both Oregon Department of Forestry ORS 477 and OAR629, and Black Butte Ranch Lot Certification Standards. Achieving Black Butte Ranch Lot Certification will result in automatic SB 360 Certification. Certifications will be valid for 5 years, after which each lot must be re-certified.

Black Butte Ranch Lot Certification Standards:

1. Lots must meet and maintain SB 360 requirements for properties in a fire risk classification of "Extreme." ARC will provide property owner with checklist of basic standards for this SB 360 Certification requirement.

2. SB 360 requirements for Secondary Fuel Break shall apply to the entire Lot. Particular attention should be paid to the ladder fuel issue. Example: could a burning ember ignite pine needles, which ignites brush, which ignites limbs of a small tree, which climbs to limbs of a larger tree creating a "crown fire".

3. The Black Butte Ranch standard for pine needle maintenance is as follows:

a. The primary fuel break for 30 feet around a structure and the structure itself, on roofs and below decks, must be substantially free of any pine needles prior to each fire season.

b. It is recommended that the balance of the Lot be substantially needle free, by periodic needle removal on the entire Lot, or by creating a 3 foot wide needle break every 30 feet beginning at the Lot perimeter.

4. In addition to defensible space/fire prevention factors, trees on the entire Lot should be managed to promote their vigor. This is essential to minimize Black Butte Ranch's exposure to insects and disease infestations and to maximize our forest's photosynthetic process (absorption of carbon dioxide, production of oxygen, etc.). Toward this end, the following Black Butte Ranch inspection criteria must be met:

a. Dead, down, dying and diseased trees must be removed.

b. Trees that are deemed hazardous to structure, roads, bike paths, etc. shall be removed.

c. Trees that are suppressed by healthy, dominate and co-dominate trees should be removed because their chance for long term vigor is poor and they are causing unnecessary competition for moisture.

d. Diversity of species should be preserved when at all possible, However, Juniper is especially flammable and a thirsty consumer of water, and is therefore, a candidate for removal, along with Bitterbrush, Manzanita, Snowbrush, and Buckbrush.

e. Clumps of healthy trees should be thinned by removing one of every five trees to redistribute light, moisture, and soil nutrients to the remaining trees. Small diameter trees (<9.5") should be left at around 12 to 16 foot spacing.

5. The Black Butte Ranch Association Board added the control of noxious weeds to these standards on February 20, 2010. When property owners are re-certifying their lot, the new lot certification standards will include controlling noxious weeds on their property. If the initial inspection of a property owner's lot happens outside of weed season, the lot will be inspected for noxious weeds during the next growing season by either a lot inspector or a member of the noxious weed volunteer team. The results of this inspection will be reported to the Lot Certification Office, who will then report to the property owner. If a lot fails inspection, the report will state the weeds found and provide suggestions for treatment.

Following the above standards will typically result in a lot with random groups of two to six trees with touching crowns separated from other groups and single trees with no crowns touching. This makes for a natural-looking, defensible lot when combined with the elimination of flammable ground cover and ladder fuels and it avoids the artificial look of mechanical spacing.

4.3.3 REMOVAL OF LIVING TREES

Living trees and other natural vegetation are integral to the forested appearance and aesthetics of Black Butte Ranch. It is a goal of the ARC to preserve this appearance while working with the Lot Certification office to promote fire safety, encourage forest health and maintain property values. The following sections 4.3.2a and 4.3.2b provide homeowners with guidelines on tree removal and sets forth penalties to be assessed for the unauthorized removal of living trees within the boundaries of Black Butte Ranch. In order to avoid the possibility of a fine from inadvertent cutting, it is strongly encouraged that property owners work through the Lot Certification office or contact the ARC in advance to ensure that any cutting complies with these guidelines.

4.3.3a REMOVAL OF LIVING TREES ON HOMEOWNER PROPERTY

The removal of any tree in excess of 9.6 inches in diameter (30" circumference) without the approval of the ARC is prohibited. Trees less than 9.6" inches in diameter (30" circumference) may be cut on private property at ground level without ARC approval. In the event an owner violates this section the ARC may fine the owner in accordance with the following schedule of fines:

- For each tree 9.6" to 10.5" diameter - \$2500.00 per tree.
- For each tree 10.6" to 11.5" diameter - \$3000.00 per tree.
- For each tree 11.6" to 12.5" diameter - \$3500.00 per tree.
- For each tree 12.6" to 13.5" diameter - \$4000.00 per tree.

For each tree in excess of 13.5" in diameter, (at ground level) the fine increases by \$100.00 per each incremental inch of diameter per tree. In the event the market value of the tree cut exceeds this fine schedule, then the fine shall be equal to three times the market value. The diameter of the tree is determined by measurement of the remaining stump taken horizontally at the place of maximum width of the wood of the tree, which measurement shall not include the width of the bark of the tree. If the ARC determines the trees were cut to increase the value of the property the fine will double. The fine levied pursuant to this section shall constitute a lien against the owner's Black Butte Ranch property.

4.3.3b REMOVAL OF LIVING TREES ON COMMON, CORPORATE or ASSOCIATION PROPERTY

In keeping with our goal to promote fire safety throughout the Ranch, the ARC takes a common sense approach to stewardship of our common property. Owners are encouraged to rake needles and pinecones and remove bitterbrush, Manzanita and noxious weeds on cul-de-sacs and the shoulders of the roadways bordering their property, excluding the private property of others, and may do so without ARC approval. However, the cutting or removal of seedlings, suckers, saplings or trees over 3" in diameter on cul-de-sacs and the shoulders of the roadways is not allowed without written approval of the ARC. In order to maintain the integral forested appearance and aesthetics of the Ranch the cutting or removal of seedlings, suckers, saplings or trees of any size on other types of common, corporate or association property is not allowed without written approval from the ARC. In the event an Owner violates this section the ARC may fine the owner in accordance with the following schedule of fines:

- For each sapling, or limb, of any size removed from common property other than cul-de-sacs or roadways - \$500.00 per sapling or limb.
- For each sapling > 3" up to 4" in diameter at the base removed from common cul-de-sacs or roadways - \$500.00 per sapling.
- For each tree > than 4.1" up to 6" in diameter at the base - \$1000.00 per tree.
- For each tree > than 6.1" up to 9.5" in diameter at the base - \$2000.00 per tree.
- For each tree 9.6" to 10.5" diameter - \$2500.00 per tree.
- For each tree 10.6" to 11.5" diameter - \$3000.00 per tree.
- For each tree 11.6" to 12.5" diameter - \$3500.00 per tree.
- For each tree 12.6" to 13.5" diameter - \$4000.00 per tree.

For each tree in excess of 13.5" in diameter, (at ground level) the fine increases by \$100.00 per each incremental inch of diameter per tree. In the event the market value of the tree cut exceeds this fine schedule, then the fine shall be equal to three times the market value. The diameter of the tree is determined by measurement of the remaining stump taken horizontally at the place of maximum width of the wood of the tree, which measurement shall not include the width of the bark of the tree. If the ARC determines the trees were cut to increase the value of the property the fine will triple. The fine levied pursuant to this section shall constitute a lien against the owner's Black Butte Ranch property.

4.3.4 LANDSCAPE PLANS

Before any landscaping or the installation of an underground sprinkler system is allowed, a specific plan for the landscaping or the underground sprinkler system must be submitted and approved by the ARC. Landscaping is not required except for restoration where there has been disruption with the natural ground cover. All plantings must be of indigenous species and lend a natural appearance to the homesite. Landscape plans must contain exterior lighting detail and location. All existing ground cover must be maintained, provided however, that maintenance shall not increase fire danger that would otherwise exist. Manicured, short clipped lawns are discouraged at Black Butte Ranch due to water shortages and an emphasis on preserving the natural environment. Owners are encouraged to plant low maintenance, drought resistant dwarf fescue.

4.3.5 OUTDOOR ORNAMENT, EQUIPMENT, FURNISHING & ACCESSORIES

Placing, erecting, constructing or allowing any permanent unnatural or man-made ornament, memorials, sign, statuary, relic, flagpole, machinery, equipment, basketball backboard, game pole & net, or other such items, which are unattached to approved structures is prohibited unless the same is included and made a part of a landscape plan, submitted and approved pursuant to Rule 4.3.6 above. All basketball backboards and hoops must be properly painted and maintained for play with a suitable net in good condition. Safe location for sporting equipment is considered twenty feet (20' 0") from roadway and common area pedestrian or bikeways. (For restrictions on noise please refer to Rule 8.7 in the Black Butte Ranch Rules and Regulations.) "Unnatural" as used in this rule shall mean any object that is not naturally growing upon, indigenous to or accumulated upon a home site in its undeveloped state. Owners are encouraged to store portable outdoor equipment for periods without use. Outdoor equipment and accessories with advertising graphics, reflective surfaces and strong contrasting colors is discouraged.

4.3.6 PATHS AND WALKWAYS

Paths and walkways may be of exposed aggregate, interlocking pavers, bark chips, gravel or stepping-stones and are subject to approval by the committee.

CHAPTER 5.0: SEVERABILITY

If any section, subsection paragraph, sentence, clause or phrase of the Rules and Regulations is for any reason held by a court of competent jurisdiction to be invalid, such decision shall not affect the validity of the remaining portions of these Rules and Regulations.

CHAPTER 6.0: NONWAIVER

Consent by the ARC to any matter proposed to it or within its jurisdiction, or failure by the ARC or General Manager, to enforce any violation of these Rules and Regulations, shall not be deemed to constitute a precedent or waiver impairing the committee's right to withhold approval as to any similar matter thereafter proposed or submitted to it for consent or to enforce any subsequent or similar violation of these Rules and Regulations.

CHAPTER 7.0: NONCONFORMING USES

If any Unit owner shall have any improvement located on a private area which is not in compliance with these Rules and Regulations as adopted or hereafter amended, even though said improvement existed prior to the adoption of these rules, the Unit owner shall have two (2) years from the date of notification by the committee to comply with these Rules, provided however, that each Unit owner shall not be required to expend more than two (2) times the then prevailing annual dues per violation if said non-complying improvement existed prior to the adoption of these Rules or prior to the adoption of any applicable amendment to these Rules.

CHAPTER 8.0: ADOPTION OF ARC RULES AND REGULATIONS

The foregoing ARC Rules and Regulations are hereby adopted this date September 27, 2013 by the members of the ARC.