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**REVISED AND AMENDED DECLARATION OF COVENANTS, CONDITIONS AND  
RESTRICTIONS OF RANCHEROS DE TAOS SUBDIVISION**

(Appendix 2 to Disclosure Statement)

1. Whereas Roger N. Lerman acquired by Warranty Deed recorded on June 1, 1994 in Book A-219, page 570, certain Lots in the Rancheros de Taos Subdivision, the original plat of which was recorded on November 28, 1961 in Volume 1, Page 167, and subsequently refilled in Cabinet B, Page 20-A, of the Records of Maps & Plats of Taos County.

An inventory of the Lots covered by the Warranty Deed is set forth in Exhibit #1, totaling 552 Lots.

2. Whereas Roger N. Lerman on September 29, 1997, conveyed by Warranty Deed, recorded in Book A-242, Page 824, certain of the Lots in Rancheros de Taos Subdivision, to Mesa Properties, Inc., a New Mexico Corporation.

An inventory of the Lots covered by the Warranty Deed is set forth in Exhibit #2, totaling 173 Lots.

3. Whereas Mesa Properties, Inc. prepared & recorded the Declaration of Covenants, Conditions and Restrictions of Rancheros de Taos Subdivision intending to govern the use of the Lots described in Exhibit #2, which Declaration was recorded on September 29, 1997 in Book M-199, Pages 839-843.

4. Whereas Mesa Properties, Inc., pursuant to Article V., Paragraph 4, (General Provisions) did amend the Declaration on July 1, 1998, as recorded in Book M-206, Pages 371-376.

5. Whereas Roger N. Lerman deeded additional Lots to Mesa Properties, Inc. on December 16, 2002, Recorded in Book M-354, Page 509, totaling 8 Lots; on April 2, 2008, Recorded in Book 642, Page 778, totaling 12 Lots; on April 25, 2011, Recorded in Book 746, Page 298, totaling 26 Lots; and on August 14, 2017, Book 954, Page 766, totaling 116 Lots.

An inventory of which Lots is in Exhibit #3.

6. Whereas all the Lots referenced in Paragraphs #2, #3, #4, and #5 above and described in Exhibits #2 and #3 below, are subject to the provisions of the amended Declaration of Covenants referred to in Paragraph #4, hereto.

7. Whereas, as a consequence of the submission of the additional Lots, referred to in Paragraphs #2 and #5, Mesa Properties, Inc. now owns in excess of the 67% of the Lots required in Article V., Paragraph #2 (General Provisions) of the Declaration of Covenants referenced in Paragraphs #3 and #4 above, and does hereby adopt this Revised and Amended Declaration of Covenants, Conditions and Restrictions of Rancheros de Taos Subdivision, replacing in its entirety the Declaration of Covenants referred to in Paragraphs #3 and #4 above:

**ARTICLE I: Purpose**

It is the intention of the Grantor, Mesa Properties, Inc., expressed by the execution of this instrument, that the lands within the RANCHEROS DE TAOS SUBDIVISION, as deeded to Mesa Properties, Inc., shall be developed and maintained as a highly desirable residential area, and that the present natural beauty and natural setting shall always be protected insofar as is reasonable in connection with the uses and structures permitted by this instrument. To that end, Grantor hereby declares that RANCHEROS DE TAOS SUBDIVISION and each part thereof shall be held, sold, and conveyed by Mesa Properties, Inc. only subject to the following easements, covenants, conditions, and restrictions, which shall constitute covenants running with the land and shall be binding on all parties having any right, title or interest in the above-described property or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of each owner thereof.

No provision contained herein, nor any amendment hereto, shall be construed to prevent or limit Grantor's right to complete development of the property and construction of improvements thereon, nor Grantor's right to

maintain model homes, construction, sales or leasing offices or similar facilities on the property, nor Grantor's right to post signs incidental to construction, sales or leasing, nor Grantor's right to do anything that it may, in its sole discretion, deem necessary and proper for the full development of the property.

#### ARTICLE II: Definitions

Unless the context otherwise specifies or requires, the following words and phrases when used herein shall have the meanings hereinafter assigned:

1. RANCHEROS DE TAOS SUBDIVISION shall refer to the Lots described in that original official Plat thereof recorded in the Office of the County Clerk of Taos Country, New Mexico, on November 28, 1961, in Volume 1, Page 167, and refiled in Cabinet B, Page 20-A, of the Records of Maps and Plats.

2. GRANTOR shall mean MESA PROPERTIES, INC., a New Mexico Corporation, and its successors and assigns (hereinafter referred to as "Grantor").

3. DETACHED DWELLING (hereinafter referred to as "Dwelling") shall mean a building and related structures customarily appurtenant thereto. It shall not mean or include any apartment, multi-family dwelling, lodging or rooming house, hotel, hospital, none of which shall be permitted on any Lot.

4. LOT or PARCEL shall mean a platted parcel of land as depicted and identified in the plat referred to in paragraph 1 hereof, upon which a detached dwelling may be erected in conformance with the requirements of this Declaration.

5. OWNER shall mean or refer to the record owner, whether one or more persons or entities, of any dwelling unit or lot. The foregoing does not include persons or entities which hold an interest in any dwelling unit merely as security for the performance of an obligation, or a lessee or tenant.

#### ARTICLE III: Permitted Uses

All Lots within the Rancheros de Taos Subdivision, as deeded to Mesa Properties, Inc., whether sold or still owned by Mesa Properties, Inc., shall be held, used and enjoyed and subject to the following covenants, restrictions and conditions:

1. A Parcel shall consist of two (2) contiguous lots or four (4) contiguous lots. Upon each parcel there may be erected a residence consisting of one detached dwelling, together with such structures and outbuildings as are customarily appurtenant thereto including, but not limited to, a private garage, storage shed, barn, studio, workshop, detached solar collectors and satellite dish. A detached guest house shall be permitted. Each Parcel may have upon it a house and a guest house, for a maximum of two habitable structures, but, in any event, only one mobile home, single- or double-wide is allowed placed per Parcel.

Provided, however, nothing herein stated shall be deemed to prohibit the owner of a residential dwelling from renting or leasing such dwelling for any such periods and upon such terms as the owner desires. Such lessee, shall, however, be subject to the same rules and regulations as the dwelling owner.

Notwithstanding any of the above, the parcels of Rancheros de Taos with frontage along Highway 64 shall have commercial potential and possibilities, as approved by the proper governmental entity or as allowed by Taos County Zoning.

2. IMPORTANT. Upon each parcel there may be erected or placed a permanent dwelling as approved by the building codes of Taos County and the State of New Mexico, or a manufactured home, or a single- or double-wide mobile home and that is acceptable under this Declaration of Covenants.

No mobile home, building, or fence shall be erected, placed or altered on any lot until the specifications and plat showing the location of such mobile home, building or fence have been approved in writing by the Building Committee, as to the conformity and harmony of external design with existing structure and natural features at Rancheros de Taos, and as to the location

and setbacks of the building , structure, or fences with respect to the topography, finished grade elevation and the requirements of Article IV, #12 below and applicable Taos County Codes. Such approval shall not be unreasonably withheld. The Building Committee, from the date of the recording of this Revised and Amended Declaration of Covenants, shall consist of two Officers of Mesa Properties, Inc. or its successors or assigns, and one duly-elected Administrator of the Rancheros de Taos Owners' Association or their designee, until such time as Mesa has sold out fifty percent (50%) of the parcels covered hereunder, or twenty (20) years from date, whichever shall occur last, after which time, the Building Committee shall consist of one officer of Mesa Properties, Inc. or its successors or assigns and one Administrator of the Rancheros de Taos Owners' Association or their designee.

All mobile homes intended as permanent dwelling shall be in a state of good repair and neat appearance. The wheels shall be removed and the home tied down and anchored. It shall also be skirted with matching professional material BEFORE BEING OCCUPIED. The stairway must be professional and of a safe nature.

3. A. Mesa Properties, Inc. shall create a west to east line, beginning at the western property boundary of the Rancheros de Taos Subdivision, between Lot #289 and Lot #336, which line is the boundary line common to Lot #289 and Lot #336 and stretching east to and terminating at Azul [Street] between Lot #299 and Lot #326, which line is the boundary line common to Lot #299 and Lot #326. No Lots north of this west-east line may have any single-wide mobile homes placed on them for a period of forty (40) years from date of recording of this Revised and Amended Declaration of Covenants, except for a period of one (1) year while a permanent structure is being constructed (extendable by the Building Committee). South of this line, and north of Linda Vista and west of Azul, Mesa Properties, Inc., or its successors, can only cause to be placed single-wide mobile homes a maximum of two (2) times per calendar year from date of this Revised and Amended Declaration, non-cumulatively.

B. An inventory of Lots, so covered by this last paragraph #3 above, is listed in Exhibit #4, below. Non-cumulatively shall mean that if Mesa Properties, Inc. does not use its rights of two times in one year from date, those rights cannot be accumulated and used in a future calendar year.

#### ARTICLE IV: Restrictions on Use

1. No derrick or other structure designed for use in boring for oil or natural gas, and no television transmission towers shall be erected, placed or permitted upon any part of said property; and no oil, natural gas, petroleum asphaltum or hydrocarbon product or substances shall be produced or extracted therefrom.

2. No Parcel shall be used in whole or in part for the storage or dumping of rubbish of any property or thing that will cause such lots to appear in an unclean or untidy condition or that will be obnoxious to the eye, that will emit foul or obnoxious odors, or that will cause any noise that will disturb the peace, quiet, comfort or serenity of the occupants of the surrounding properties. Junk cars and trucks shall be considered rubbish if they have not or cannot be moved under their own power after a period of six months. In general, KEEP IT CLEAN & NEAT or FENCE IT OFF!

3. Nothing shall be done or kept on any dwelling or lot which will result in the cancellation of insurance on any such property or which would be in violation of any law, or which would cause the insurance premiums of other lot owners to be increased.

4. Home occupations and cottage industry shall be permitted in accordance with the Taos County Land Use Regulations, provided, however, that such usage shall not be obnoxious to the eye, not emit foul or obnoxious odors, or not cause any noise that will disturb the peace, quiet, comfort or serenity of the occupants of surrounding properties.

5. No signs or billboards of any kind shall be displayed without the approval of the Grantor, except: A. Sign disclosing name of owner; B. Signs



as may be required by legal proceedings; C. Signs as may be used by Grantor in connection with the development of the real property and sale of lots or dwelling units; D. Signs indicating that a dwelling is for sale or lease.

Any signs pursuant to this shall be uniform as to type and size which shall be determined in the sole discretion of the Grantor. Only one such sign for each dwelling unit shall be allowed. All signs shall be removed as soon as a dwelling or tract is sold but no later than forty-eight (48) hours following the signing of a contract for sale by the buyer and seller.

6. Recreational vehicles and boats may be parked on any lot. Mobile homes, in general, shall be kept in a state of good repair and neat appearance.

7. Solar energy and energy and water conservation devices and systems shall be encouraged with respect to all structures. Recycling and composting shall also be encouraged with respect to all structures and lots.

8. Indoor and outdoor water conservation measures shall be encouraged. Indoor plumbing fixtures must be of a water-saving type. Recommended are: 1 1/2 gallon per flush toilets, 2 1/2 gpm shower heads, and 2 gpm faucets. All hot water lines shall be insulated against heat loss. Automatic dishwashers and clothes washers shall be of a type which permits small load or short cycle settings.

9. Generally recognized domestic indoor animal pets may be bred, or kept, in a reasonable number. All dogs must be kept on a leash or controlled at all times. It shall be the responsibility of each pet owner to clean up after their pets. At night all pets must be kept in an enclosed area. Grantor, its successors and assigns hereby reserve the right until the sale of the last Lot, and in all cases, the Grantor shall have the right to order the removal from any Lot and/or dwelling any animal deemed objectionable or a nuisance. Grantor reserves unto itself sole discretion in determining what type and number of animal pets complies with this provision.

10. Each lot owner may maintain livestock, horses, cattle, poultry, etc., provided, however, that the keeping of such animals is for personal use and not for a commercial business, that such animals shall be confined by pens, corrals, fences, barns, or coops, and that such animals shall be maintained in such a number, fashion, and manner as not to be obnoxious to the eye, emitting foul or obnoxious odors, or causing any noise that will disturb the peace, quiet, comfort or serenity of the occupants of surrounding properties. Until the sale of the last Lot, the Grantor shall have the right to order the removal from any Lot and/or dwelling any animal deemed objectionable or a nuisance.

11. All wires, cables, pipes, conduits and apparatus for the transmission of electrical current, telephone, television, water, gas, sewer service or other utilities shall be buried, whenever possible, with the exception of necessary equipment and existing above-ground utilities, which cannot be buried. Roof-top satellite dishes and antennas are permitted.

12. The roads of RANCHEROS DE TAOS SUBDIVISION, as depicted on the plats thereof are public rights-of-way, and as such are available to all parcel owners for access and egress and to utility companies for the placement of utilities. Additionally, all parcels are subject to a six (6) foot utility easement, as depicted on the plat, on all sides and boundaries not directly adjacent to the platted roads. No shrubbery, trees, buildings or structures of any type shall be placed or built over or across any such easement.

13. Costs for road maintenance for the interior roads shown in the plats referred to in Article II, Paragraph 1 hereof, and any other common facilities shall be apportioned to the lot owners or homeowners and any others served by such roads according to the provisions of the BY-LAWS OF THE RANCHEROS DE TAOS OWNERS' ASSOCIATION, an unincorporated Owners' Association pursuant to the provisions of Sections 53-10-1-8, NMSA (1978) for the purpose of administering the Lot owners' responsibility to maintain the roads & facilities serving the subdivision. There are two classes of Lot Ownership, passive & active. "Active

Owners" shall mean lot or parcel owners who have made any improvements whatsoever to their lot or parcel (whether they reside there or not) and "Passive Owners" shall mean a lot or parcel owner who has made no improvements whatsoever to their lot or parcel. Active Owners must pay annual dues to the Rancheros de Taos Owners' Association, as determined by the Association Administrators and Owners. Passive Owners (including Mesa Properties, Inc., as to unsold/undeveloped lots) have no obligation to pay such dues, although they may contribute voluntarily. The amount of these maintenance costs shall be determined by the Association Administrators and Owners through the adoption of an annual financial budget and paid for by the Owners' collected dues, all in an open and transparent manner.

14. All drainage from dwelling units and driveways shall be directed toward existing water drainage courses. Culverts shall be installed by Owners as needed, where driveways join the platted subdivision road or elsewhere. Owners shall not park vehicles in the platted roads.

#### ARTICLE V: General Provisions

1. a. No parcel at Rancheros de Taos, as covered by this Declaration shall consist of less than two (2) contiguous lots.

b. Furthermore, Grantor, its successors or assigns, may market or sell additional parcels within the RANCHEROS DE TAOS SUBDIVISION, but parcel sizes shall be of the same size as or one size larger or smaller than directly adjacent parcels. Grantor may add lots to those already subject to these Covenants. The rights and provisions of this Article V, 1, b, may be specifically delegated by the Grantor to its corporate or personal heirs or assigns.

2. All of the aforesaid conditions and restrictions hereunder shall continue in full force and effect in perpetuity. Provided however, the holders of record title of sixty percent (60%) of the lots covered by this Declaration shall at any time, or from time to time, have the same power to release, change, amend or modify said restrictions by executing, acknowledging, and recording an appropriate instrument.

3. The enforcement of the covenants contained herein shall be by proceeding at law or in equity brought by the Grantor, its successors or assigns, or by Rancheros de Taos Owners' Association, or by any lot owner against any person or persons violating or attempting to violate any covenant, either to enjoin or restrain the violation or to recover damages. In addition, the Grantor, its successors or assigns, or the Rancheros de Taos Owners' Association shall have the right, whenever there shall have been built on any lot any improvement or structure which is in violation of the covenants and restrictions or there shall otherwise exist a breach of these covenants to enter upon the property where such violation exists and summarily abate or remove the same at the expense of the owner, and such entry and abatement or removal shall not be deemed a trespass. The failure to enforce any right, reservation, restriction or condition contained in this Declaration, however long continued, shall not be deemed a waiver of the right to do so thereafter as to the same breach occurring prior or subsequent thereto and shall not bar or affect its enforcement. The provisions contained in this declaration shall bind and inure to the benefits of and be enforceable by Grantor, the Rancheros de Taos Owners' Association, the owner of any lot, their legal representatives, heirs, successors, and assigns, and failure by Grantor, or Rancheros de Taos Owners' Association, or any property owner, or their legal representatives, heirs, successors, or assigns to enforce any of said restrictions conditions, covenants, or reservations shall in no event be deemed a waiver of the right to do so thereafter. Grantor or any other party having standing shall be entitled to recover costs and reasonable attorney's fees in any suit brought to enforce the provisions of this

Declaration or to recover damages hereunder, if Grantor or any party is successful in such suit.

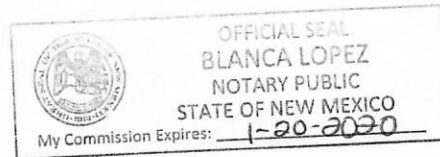
4. The Grantor and Grantor's successors and assigns shall have the right within twenty-four (24) months from the date of the recording of this Declaration of Covenants, Conditions and Restrictions of RANCHEROS DE TAOS SUBDIVISION, to make any changes in these conditions and restrictions, which Grantor deems, in Grantor's absolute discretion, beneficial to the owners of the majority of the lots in the subdivision and which do not alter the overall character of the subdivision. All the lots of the RANCHEROS DE TAOS SUBDIVISION, as deeded to Mesa Properties, Inc., shall be subject to the terms of any Amended Declaration executed and recorded by Grantor pursuant to the authority reserved by Grantor in Article V hereof. Any change shall be reduced to writing, signed by the Grantor, or Grantor's successor or assigns, acknowledged, and recorded in the office of the Clerk of Taos County, New Mexico, and a copy thereof shall be mailed to each lot owner of record.

5. By acceptance of a deed or by entering into a purchase contract with Grantor, all Grantees shall be deemed to have delegated to Grantor the power and right to make changes in the Declaration of Covenants for the twenty-four (24) month period referred to in Article V, Paragraph 4 hereof and to have appointed Grantor, attorney in fact, to execute on their behalf such legal documents necessary to effectuate those changes.

GRANTOR: Mesa Properties, Inc.

DATED: October 23, 2017

By [Signature]  
Roger N. Lerman, President



STATE OF NEW MEXICO )  
COUNTY OF TAOS ) ss.

The foregoing instrument was acknowledged before me this 23th day of October, 2017, by ROGER N. LERMAN, President of Mesa Properties, Inc., a New Mexico corporation, on behalf of said corporation.

My commission expires:

[Signature]  
Notary Public

Exhibit #1: Lots 1-636, less & except Lots 13-36, 61-84, 109-132, and 157-168.\*

Exhibit #2: Lots 92-101, 136-153, 184-201, 232-249, 280-297, 328-345, 376-393, 424-441, 472-489, 520-537, and 576.\*

Exhibit #3: Dec. 16, 2002: Lots 568-575; April 2, 2008: Lots 442, 443, 470, 471, 490, 491, 518, 519, 538, 539, 567 & 566; April 25, 2011: Lots 134, 135, 154, 155, 182, 183, 202, 203, 230, 231, 250, 251, 278, 279, 298, 299, 326, 327, 346, 347, 374, 375, 394, 395, 422 & 423; August 14, 2017: Lots 133, 156, 176-181, 204-209, 224-229, 252-257, 272-277, 300-305, 320-325, 348-353, 368-373, 396-401, 416-421, 444-451, 462-469, 492-499, 510-517, 540-547, and 558-565.\*

Exhibit #4: Lots 326-347, 374-395, and 422-432.\*

\* all Lot numbers referenced hereto are inclusive



TAOS COUNTY  
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