

DISCLOSURE STATEMENT FOR RANCHEROS DE TAOS SUBDIVISION (2018)

Please read this Disclosure Statement Before You Sign Any Documents, Agree to Anything or Pay Any Money. IMPORTANT INFORMATION.

The intention of this disclosure statement is to explain in simple, plain language everything about that part of the Rancheros de Taos Subdivision which Mesa Properties, Inc. (hereinafter referred to as Mesa) owns and is offering for sale at this time. Read it carefully; do not be afraid to ask any questions. Be sure to inspect the property in person.

1. Name of Subdivision - Rancheros de Taos comprises all of Section 29, Township 28N, Range 10E, NMPM. Mesa Properties, Inc. does not own the whole subdivision. The original plat of the subdivision was recorded on November 28, 1961 in Volume 1, Page 167 of the Records of Maps and Plats of Taos County.

2. Location - on New Mexico Highway 64 between Mile Markers 226 and 227, north side of the highway, 16.0 miles from the Rio Grande Gorge Bridge, 3.5 miles from the town center of Tres Piedras (the intersection of Highways 64 and 285), in Taos County.

3. Elevation - between 7820 and 7980 feet above sea level.

4. Developer - Mesa Properties, Inc.

P.O. Box 190

El Prado, NM 87529

Roger Lerman, President; Tel. 575-758-5525

5. Water (IMPORTANT) -

a. Mesa Properties, Inc. has drilled a well on Lot # 576, just to the west of the entrance off the highway and has installed a pump, pressure tanks, 6000 gallon storage tank, yard hydrants and a high-volume (90 gal/min) delivery system. The well is about 960 feet deep (hit water at about 840 ft.), produces 12 - 15 gallons per minute on a continuing basis, and is an integral part of the subdivision.

b. Mesa does not plan on piping water around the subdivision (If Mesa ever did pipe water around the subdivision, there would be a separate hook-up charge to tie into this system and monthly water usage fees.) It is expected that many parcel owners will haul water in containers from the well to their own parcel, presumably to be stored in plastic or cement underground cisterns. Many people in the vicinity are able to fill their cisterns totally by catching rainfall.

c. Drilling of individual wells by various parcel owners is, of course, legal and permitted by the Office of the State Engineer, but can be expensive. It would be quite possible for several parcels to share in the water output and costs for such a well.

d. Mesa Properties, Inc. and the Rancheros de Taos Owners' Association have had a Lease for use of the well & water system (\$1/year), under which the Association is paying all operating &

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repair expenses of the well and Lot owners in good standing with the Association have free & unlimited use of the water system.

e. Water quality - Mesa has had the water tested on July 19, 1996, after the well was completed, by the New Mexico Environment Department with the following results: pH-7.0; Conductivity- 390 (less than 1000 recommended); Organic vapor- not detected; Nitrate- 0.5mg/l (under 10mg/l acceptable); Sulfate- 2mg/l (under 250mg/l acceptable); Iron- 0.01mg/l (under 0.3mg/l acceptable). The water has also been tested on July 9, 1996 by the Water Store (Clean Water Solutions, Inc.) in Taos with the following results: Total Coliform Bacteria-ABSENT; MCL (Maximum Contaminant Level)-Absent; Chlorine Residual-0.0. The actual tests are available for your inspection.

Mesa Properties, Inc. makes no representation as to the potability of this water and will not assume responsibility for the water quality. Rancheros Residents, who ingest this water do so totally at their own risk.

The Owners' Association has the water retested on occasion. The most recent laboratory test (8/14/13) confirmed the above tests, and importantly further detected no Arsenic and very low levels of Uranium. Should you install a cistern and haul water by trailer, certain precautions must be taken to protect the quality and safety of the water -- for example, adding bleach (chlorine) to the water, regular testing of the water, etc.

f. Surface water - none. The various arroyos within the subdivision may run at times of heavy rain.

6. Liquid Waste - all lots at Rancheros de Taos, meet the minimum size requirement (3/4 of an acre) of the New Mexico Environment Department for an on-site liquid waste system (such as a concrete septic tank with drainage field). The size and type of the tank and drainage field is based upon the type of use (number of bedrooms, number of plumbing fixtures, etc.) and the results of a percolation test on your specific parcel (absorption qualities of the soils; See also Soils, #26 below). Alternative systems are also possibilities- composting toilets, low-flow fixtures, outhouses. The New Mexico Environment Department Office is located at 1308 Gusdorf Road (corner Roy), in Taos, 758-8808.

7. Solid Waste (Trash) - Taos County maintains dumpsters for local area residents two miles north of the main intersection in Tres Piedras. Alternatively, you can haul your own trash to the Municipal Landfill to the east of the Gorge Bridge on the south side of Highway 64. . All Taos County residents must pay \$25/year as a Solid Waste fee. The Owners' Association or lot owner could privately contract with Waste Management (the current local trash hauler) for dumpsters located within the subdivision or on their lot.

At this time, the only recycling facilities are located on Dea Lane at the Town of Taos equipment yard off Camino de Merced, near Wal-Mart.

8. Electric - Mesa has installed main electric lines (single phase, 120/240 Volts, primary) throughout much of the subdivision, for use of parcel owners. Connection into these lines for domestic service is by arrangement between you or your electrical contractor and Kit Carson Electric Co-op. Extension of these main lines beyond their current scope would be by separate arrangement with Mesa, or may be

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- done by any parcel owner by arrangement with Kit Carson Electric Coop, along the easements of the subdivision (see Easements, below).
9. Telephone & Internet - Century Link Communications has service available along the main streets of Rancheros de Taos. Under the current terms of their Rural Extension Program (1000 feet free and up to \$5000 of Century Link expenditure), it is anticipated that every lot within Rancheros de Taos could receive telephone (land line) service at no installation cost. Cellular phone service is also available from Decker Communications, from Sprint Cellular, Verizon, and others by private arrangement. Internet is available over the telephone lines and wireless from TaosNet.
10. Roads - The platted roads of the subdivision have been dedicated to Taos County. This means that they are public roads. However, Taos County has no commitment to maintain these roads in any way. Mesa installed these good quality gravel roads and what you see is what you get. Extension of these roads beyond their current scope would be by separate arrangement with Mesa, or may be done by any parcel owner within the platted rights-of-way.

All parcel owners become members of Rancheros de Taos Owners' Association automatically when purchasing a parcel at Rancheros de Taos. It will ultimately be the responsibility of the Owners' Association to maintain the roads, remove snow, other common facilities, etc. The original rules and by-laws of the Owners' Association are available to you, and may be amended or added to by the parcel owners (including Mesa, as to unsold parcels). There is an initial capital contribution of one year's Association dues, due at purchase closing from all new parcel owners at Rancheros de Taos. Annual fees to the Owners' Association are set by the parcel owners themselves. There is a distinction between "Active" (having already developed) and "Passive" (undeveloped) parcel owners, in the requirement to pay any annual fees.

It is very much in the interest of Mesa to see that the roads are maintained, and is quite prepared to lead the way in this regard.

11. Easements - The road right-of-ways are common easements for both access and utilities. Also note that all parcels have utility easements (generally 6 feet around the sides and back of the parcel) and set-back requirements (for structures) around them. Refer to the replat of the subdivision recorded on June 25, 1996 in Cabinet D1, Page 10-A at the Taos County Clerk's Office.

12. Schools - The Rancheros de Taos Subdivision is located within Mesa Vista School District. The schools are located in Tres Piedras and Ojo Caliente.

13. Fire Protection - The Rancheros de Taos Subdivision is located within the area of Tres Piedras Fire Department, at a distance of 3.6 miles, located on Highway 285, 0.1 m north of the main intersection, 758-3441, or if no answer, 758-3611. It is suggested that all homeowners have their own fire extinguishers, smoke detectors, and fire protection plans.

14. Police Protection - The Rancheros de Taos Subdivision lies within the jurisdiction of the Taos County Sheriff (758-4709 or 758-3361) or the New Mexico State Police (758-8878).

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15. Postal Service-Tres Piedras Post Office (Zip code-87577), located 0.2 m north of the main intersection.

REAL ESTATE ISSUES:

16. Size and Number of parcels- At this time Mesa is offering for sale 132 parcels within the Rancheros de Taos Subdivision, as follows:

- 120-2 acre parcels (most actually 1.86 acre), 44 sold
- 12-4 acre parcels (most actually 3.73 acre), 3 sold

Mesa, at its sole discretion, may change the size and number of parcels offered for sale (see Declaration of Covenants for the Rancheros de Taos Subdivision for more regarding parcel sizes and uses.)

17. Taxes - While no assurances can be made, it is anticipated that real estate taxes will be under \$50 per year per parcel (with no improvements). The minimum bill by the Taos County Treasurer is \$5/year. The Taos County Assessor's Office is located at 105 Albright Street, Taos, 758-8607.

18. Zoning - All of the parcels are currently zoned County Rural under the Taos County Temporary Land-Use Plan. This means that they are only for residential use and home cottage industries.

19. Covenants/Deed Restrictions (IMPORTANT) - All parcel owners are subject to the "Declaration of Covenants of the Rancheros de Taos Subdivision". This document has been recorded at the Taos County Clerk's Office on Sept.29,1997, Book M-199, pages 839-843, amended on July 1,1998, Book M-206, pages 371-376 and amended again on October 23, 2017, Book 961, Pages 164-169. This document spells out certain restrictions and privileges of owners at Rancheros de Taos, including lot sizes, allowed structures and uses, the Owners' Association, the Building Committee and other important issues.

20. Title - Mesa owns this property free and clear, and by Warranty Deed. There are no liens, encumbrances, or mortgages against this property.

21. Title Insurance - Mesa (or Roger Lerman) has a policy of title insurance on this property, from Title Resources Guaranty Company (Taos Title as Agent, Cruz Alta Mall, Taos, 758-2393), which is available for inspection. The title to a parcel at Rancheros de Taos is insurable, but a policy of title insurance is not automatically included with purchase of a parcel.

22. Purchase of a Parcel at Rancheros de Taos can be made either directly with Mesa Properties (Roger Lerman, President) or through a local realtor (real estate commissions would then be involved). Mesa has available its own Purchase Agreement. This document is available for your inspection. At the closing of a purchase, Mesa will deliver a Warranty Deed to a parcel, with free and clear title.

23. Survey Stakeout- At this time, most of the parcels are not staked out with survey pins. The location of a parcel can be shown approximately on the ground (within a few feet). Before closing or immediately thereafter, Mesa will have the parcel staked out exactly by a licensed land surveyor (at Mesa's expense).

24. Financing- Mesa is offering financing on the purchase of parcels at Rancheros de Taos by a standard New Mexico Real Estate Contract (this document is available for your inspection). Terms of this financing at this time are:

6% interest, 5 year term, with 25% down.

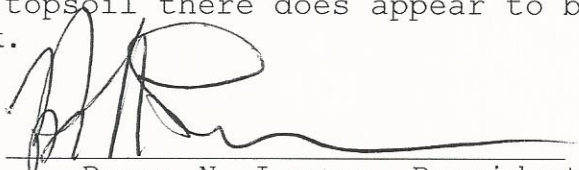
8% interest, 15 year term, with 10% down , and other options exist depending on the term and down payment.

All real estate contracts will be escrowed with Weststar Escrow of Albuquerque. All charges associated with the financing, other than the preparation of the Real Estate Contract, are the responsibility of the purchaser.

25. Common Facility - Mesa may, if sufficient parcel sales occur, construct a common use facility on Lot #576 (same lot as water well), to the left by the Highway. The facility will be available for use by parcel owners of Rancheros de Taos. The facility may contain: coin-operated laundry machines, coin-operated showers, vending machines, a pay phone, and common sinks and toilets. Initially this facility will be operated by Mesa, but Mesa may at some future date turn this facility over to the Owners' Association. Mesa is under no obligation to build this facility, or, if built, to turn it over to the parcel owners.

26. Soils - According to the Soil Survey of Taos County, the Soils of the Rancheros de Taos Subdivision are Servilleta-Prieta complex and Petaca-Prieta complex. (See "Soil Survey of Taos County" for more details.) Mesa's limited excavating experience on the land has shown topsoil depths to be variable- from 1 to more than 8 feet. Beneath the topsoil there does appear to be a level of fractured basalt rock.

BY:



Roger N. Lerman, President
Mesa Properties, Inc.

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STATE OF NEW MEXICO)
COUNTY OF TAOS)

This instrument was acknowledged before me this 21st day of May, 2018, by Roger N. Lerman, President of Mesa Properties, Inc., a New Mexico Corporation, on behalf of said corporation.

My Commission Expires:
Notary Public

11-08-2021

Anna Duran
notary public

