

EXHIBIT "B"
TO DECLARATION OF
EASEMENTS, COVENANTS,
CONDITIONS AND
RESTRICTIONS FOR
LAS OLAS SUBDIVISION

**L A S O L A S
S U B D I V I S I O N**

Taos, New Mexico

DESIGN GUIDELINES

Section I: INTRODUCTION

NOTE:

These design guidelines do not supersede any existing Town of Taos building and land development codes or regulations. Prior to designing any improvements within Las Olas Subdivision, the Town of Taos should be contacted to obtain a copy of all specific applicable Town requirements.

Las Olas, LLC, A New Mexico Limited Liability Company, as Declarant under that certain Declaration of Easements, Covenants, Conditions and Restrictions for Las Olas Subdivision filed in Book _____ at Page _____ to _____, Records of Taos County, New Mexico (the "Las Olas Subdivision CC&R's"), and as Incorporator of Las Olas Subdivision Homeowners Association, a New Mexico Nonprofit Corporation, does hereby adopt the following Design Guidelines for Las Olas Subdivision:

A. PURPOSE

The purpose of the Las Olas Subdivision Design Guidelines (the "Design Guidelines") is to protect the value of Lots in Las Olas Subdivision for the benefit of all Owners. These Design Guidelines establish a combination of specific requirements and general guidelines to accomplish this.

The purpose of these requirements and guidelines is not to impede design and development of the individual residences, rather it is to establish a continuity of design quality and character. It is hoped that these Design Guidelines inspire the individual to consider all design details with a genuine, thoughtful concern for the value of Lots in the Las Olas Subdivision.

These guidelines are imposed pursuant to the Las Olas Subdivision CC&R's and are to be enforced by the Las Olas Subdivision Homeowner's Association through its Design Review Committee ("DRC").

B. GOALS AND OBJECTIVES

The following goals and objectives are intended to provide the Design Review Committee guidance in evaluating proposed designs and interpreting requests for variances from these Design Guidelines.

1. General

Goal: Provide direction to individual design efforts so that the overall Las Olas Subdivision is developed and maintained with a strong sense of northern New Mexico identity and character by establishing a cohesive design concept.

2. Site Planning

Goal: Locate roads, driveways and homes in a manner that maintains compatibility and privacy between neighboring homes, disturbs as little of the natural landscape as possible, and fits sensitively into the terrain.

Objectives:

- Establish driveway locations and gradients that require a minimum of grading resulting in little or no cut and fill banks.
- Limit disturbance of the natural landscape to areas within roadways, driveways, and building areas.
- Protect and maintain views and privacy between homes.

3. Architecture

Goal: Architectural styles that are appropriate to the area and its character.

Objectives:

- Establish architectural design criteria to give guidance on the desired external three dimensional building form, materials and appearance.
- Encourage a high quality of New Mexico style architecture.

4. Landscape

Goal: A landscape theme which results in preservation and enhancement of the site's natural vegetation patterns, while allowing home sites adequate shade, buffers, color and texture.

Objectives:

- Establish a palette of native and naturalized plant materials for revegetation of areas disturbed by roads, utilities, and wall construction.
- Establish site planning criteria for terrain and storm drainage management.
- Establish appropriate palettes of plant material for use in the various distinct landscape zones.

C. REVIEW PROCESS

The Las Olas Subdivision CC&R's established the Design Review Committee to fulfill the responsibility of reviewing and approving all proposed site and building improvements prior to their implementation. To facilitate the DRC's review and assist each resident in complying with the intent of the Guidelines, a simple four step process has been established. The four steps of this process are:

- Preliminary Plan Review
- Final Plan Review
- Preconstruction Site Review
- Completion Review

The details of these reviews are outlined in Section IV of these Guidelines.

Section II: SITE DEVELOPMENT

The emphasis of this section is on the integration of buildings and site improvements with the natural setting through a coupling of site planning considerations and architectural styles.

A. GRADING

The intent of these site grading guidelines is to preserve and enhance the natural landscape and visual character of the site. Site grading shall be designed in such a way as to minimize disturbance of the natural landscape, the visual impact, and the potential for soil erosion. All grading should be limited to the area within twenty-five (25') feet surrounding the buildings and driveway corridors. No grading activity or disturbance may occur outside of these zones.

B. LOT DRAINAGE

Storm water run-off shall be managed in such a manner as to minimize discharge from the developed area and minimize soil erosion.

- Storm water runoff shall be dispersed as much as practicable and areas of concentrated flows shall be minimized.
- Where concentrated flows are necessary, a positive means of erosion control shall be implemented. Erosion control measures shall incorporate vegetation as the principle component.
- If detention or retention basins are incorporated into drainage designs, they shall be designed to be a visual amenity with appropriate landscape treatment.

C. BUILDING ORIENTATION AND SITING

Buildings shall be designed and sited to minimize the impact and silhouette of built forms on the natural landscape. Roof line silhouettes shall be designed to minimize the visual impact by keeping a low profile (no higher than twenty-seven [27] feet). All structures must be constructed within the Building Envelopes indicated upon the Design Review Site Plan attached hereto as Exhibit "1" and hereby made a part hereof.

D. WALLS AND FENCES

Walls and fences shall be designed such that the height is stepped up or down as required to provide privacy, define views, and relate to the natural land forms.

- Walls, including the exposed faces of retaining walls, shall be constructed of materials and finishes that are complementary to the building architecture. Wall construction styles shall include exposed adobe, plastered adobe, "rammed earth", indigenous rock or field stone, and imported rock of a character that relates to the natural site conditions. Stucco walls may be constructed with concrete masonry unit construction only if the method of construction prevents reflective cracking through the stucco finish. Plain, un-colored and un-textured concrete block, concrete, pumice, frame, or similar walls shall not be used in areas visible from adjacent lots or common areas of the subdivision.
- Fences shall reflect the rural character of the area. Suggested fence styles and materials include post and rail, latillas ("coyote" fencing), and rustic wood plank and rail. Chainlink, sheet metal, and other utilitarian-character material shall not be used in areas visible from adjacent lots or common areas of the subdivision.

- The total maximum height of a wall and/or fence system shall not exceed six feet in height.

- Dominant colors shall be desert tones of brown, green, tan, beige, sand, and natural weathered wood tones.

E. STORAGE, REFUSE, UTILITIES AND EXTERIOR EQUIPMENT

- All outside storage areas and refuse container storage shall be enclosed and screened from view from the street and adjacent residences.
- Recreational vehicles including but not limited to motor homes, campers, trailers, boats, snow mobiles, jet skis, and other similar vehicles shall be stored in a permanent garage if kept on-site for more than 30 days.
- All exterior utilities including, but not limited to gas lines, water lines, electrical wires, telephone and communications wires and equipment shall be installed and maintained underground. Temporary overhead power and telephone facilities are permitted during the approved construction period.
- Utilities shall be designed and installed to minimize the disturbance of natural vegetation, and shall be routed where possible within or adjacent to the driveway corridors.
- No dish greater than 24" in diameter which is used for transmission or reception of any signals —including, but not limited to telephone, television, computer, and radio —shall be placed on any lot in a location that is visible from the subdivision roadway or adjacent lots.
- Antennae used for reception shall be of minimum size and configuration necessary to allow for reception of the primary New Mexico television stations.
- Except for public utility equipment installed within the roadway as part of the initial subdivision development and when specifically required by the utility companies, all exterior transformers, utility pads, cable TV and telephone boxes shall be located out of view the roads and neighbors.
- No exterior components of plumbing, heating, cooling and ventilating systems shall be mounted on any building wall or roof unless they are screened from view and are an integrated architectural design feature, and in any case shall be permitted only with the prior written approval of the DRC.

F. LANDSCAPING

The intent of these landscaping guidelines is to allow development of appropriate landscaping around each home while ensuring that the overall natural landscape character of Las Olas Subdivision is retained.

1. Planting

- All undeveloped disturbed areas shall receive some type of vegetative landscape treatment to stabilize the soil surface and reduce generation of dust.
- All other landscaping shall be limited to native or naturalized plantings closely adapted to the local conditions and character of the site.
- Trees should not be planted in locations that will totally block significant views from other residences.
- All landscaping shall comply with the Town of Taos Landscaping Ordinance.

2. Maintenance

- Landscaped areas shall be maintained in good health and appearance by each lot owner.
- Each Lot Owner shall be responsible to ensure that areas revegetated with the seed mix attain sufficient vegetative cover to stabilize the soil and minimize the visual impact of the disturbed area.
- Each Lot Owner shall be responsible to promptly remove any dead shrubs or trees visible from adjacent lots and common areas.
- Dead plants shall be replaced by the Lot Owner if the DRC determines that the planting is a critical element of the originally approved design.
- Each Lot Owner shall be responsible to protect and ensure that the natural vegetation remain undisturbed in all areas of the Lot that are not developed with buildings, structures, or landscaping.

Section III: ARCHITECTURE

A. ARCHITECTURAL STYLES

The architectural style of houses and structures constructed in Las Olas Subdivision shall be limited to the interpretations of the local Pueblo Revival style of southwestern architecture. This style is an expression of New Mexico's architectural heritage, and reflects hundreds of years of ethnic and cultural influences. This style is rarely found in its pure form. Cultural blending, environmental responses, and the availability of building materials have produced a unique regional character. Contemporary interpretations can be successful and are acceptable if the traditions of scale, proportion, and materials are blended.

B. COMMON VOCABULARY ELEMENTS

1. Building Compounds

Building sites are often developed as "compounds" where the main house, garages, various out-buildings, and possibly a guest house are arranged in a loose, yet functional, cluster that creates a variety of indoor and outdoor spaces. This cluster is often times enclosed by a garden wall. The wall is used to provide an architectural means to visually tie the building masses together and delineate developed areas from natural areas.

2. Courtyards

Courtyards of various forms are desirable because of the occasional extremes of climate in the Taos area. They provide shelter from the elements and a sense of enclosure and privacy. These can take the form of atriums, patios, gardens and parking courts.

3. Portales

Portales are covered porches. They offer shade, wind protection and a special space for indoor/outdoor living.

4. Shade and Shadow

Architectural design features that provide shelter from the intensity and heat of the New Mexico sun, also have aesthetic effects, creating patterns of shade and shadow that vary with each architectural style. These features include and large overhangs where large areas of glass are directly exposed to the sun. Particularly important are the shade and shadow patterns of the landscaping that soften the plain wall surfaces.

C. GENERAL CONDITIONS

1. Building Height and Mass

- Building masses shall be simple in form and of strong geometry.
- Building masses shall be horizontal in nature, although two stories are allowed, with the height of the building being less than its length or width.
- Structure roofs may be "flat" in appearance with parapet walls around the perimeter of each roof section. Portale roofs may be pitched or flat. The slopes of roof surfaces shall be set at least the minimum slope necessary to provide for proper drainage.
- Building height shall not exceed 27 feet above the original natural grade of the building envelope area as it existed prior to construction. Building height shall be determined by comparing the elevation of the top of the parapet at any location on the building to

the elevations shown on the original topographic survey that was used as the basis for creating the subdivision. The elevation datum used in the original topographic survey shall be used when making the building height survey. Chimneys and required rooftop vents may extend above these height limitations only if required by the minimum dimensions imposed by applicable codes. If not covered by any code, the height of these rooftop penetrations shall be kept to the minimum necessary to function properly.

2. Vents

Exterior components of plumbing, processing, and ventilating systems shall be combined to minimize the number of penetrations through the roof. Vents shall be as small as allowed by code and shall be painted to blend with roofing material color.

3. Roof Equipment

Heating and cooling equipment shall only be placed on the roof if it is enclosed and screened from view with a structure that is integrated into the architectural design of the building.

4. Materials and Colors

- Wall Materials: Exterior walls shall be predominantly stucco and/or a synthetic substitute with a "sand" or floated finish. Minor accents of wood, rammed earth and/or other non-reflective materials may be incorporated into the wall systems.
- Dominant Colors: The dominant color of all structures shall be desert tones of beige, brown, tan, sand, and cottonwood.
- Accent Colors: Accent colors shall be used sparingly so that the effect is maintained. Traditional accent shades of turquoise, teal, purple and warm reds are encouraged for prominent doors, gateways, shutters, and limited trim areas.
- Roof: Roof material shall have a finished appearance and shall be non-glare.

Section IV: REVIEW PROCESS

The DRC will review and respond to all plan submittals within twenty-one (21) days from date of submittal. No work may begin prior to DRC approval. No work may begin prior to the issuance of required Town of Taos Permitting.

Nothing in the review process described below shall supersede the right of any member of the Las Olas Subdivision Homeowners Association to enforce provisions of the Design Guidelines as provided for in the Las Olas Subdivision CC&Rs.

REVIEW AND APPROVAL BY THE DRC IS IN NO WAY INTENDED TO BE AN APPROVAL OF ANY ENGINEERING OR CONFIRMATION OF COMPLIANCE WITH ANY APPLICABLE CODE, REGULATION, OR PERMIT REQUIREMENT.

A. APPLICATION

Submit two (2) copies of the design review application including drawings, specifications and color scheme to the DRC. One copy shall be returned to the owner with status of review and one copy shall be maintained with Committee records. A fee, to be determined by the DRC, to cover the cost of hiring an architect and/or landscape architect to evaluate the plans shall be included with the application.

B. REVIEW STEPS AND SUBMITTAL REQUIREMENTS

1. Preliminary Plan Review - OPTIONAL

At the option of the lot owner, preliminary plans may be submitted to the DRC for review. This review is intended to provide the lot owner with an opportunity to obtain preliminary approval of their design concept and anticipated variances to these Design Guidelines prior to incurring significant expenses related to preparing final design documents. To initiate this review, submit a preliminary plot plan, building plans and elevations. Drawings should show the nature, kind, shape, dimension, materials, color and location of the proposed improvements and should identify any anticipated variance from these Design Guidelines. Dimension building and exterior wall heights.

2. Final Plan Review

Submit to Design Review Committee three (3) sets of construction drawings and specifications prepared in accordance with all applicable Town of Taos Ordinances, Codes and Regulations showing the following:

- Plot Plan - locations and dimensions of buildings, outdoor walls, paved areas, fences, and other outdoor improvements
- Grading Plan - building floor elevation, top and bottom elevations, both inside and outside, of exterior walls, tops and toes of all slope banks, and drainage channels leading to natural drainage ways (with top and bottom elevations at beginning, end, and all significant interim grade changes in channels)
- Building Elevations -elevations of building from each of four sides, drawings shall be to scale and have dimensions showing heights and widths of building elements
- Details - details for all exterior walls, drainage structures, and all exterior improvements visible from outside the Lot at a height of 5 feet above ground level (or first floor level from nearby houses) within 500 feet of the Lot

- Color Board - color board with samples of proposed colors of exterior walls, trim, and roof material
- Landscaping and Revegetation Plans - indicate all areas that require revegetation per these Design Guidelines and all areas that will be landscaped non-native or non-naturalized plantings.

2. Preconstruction Review

To avoid inadvertent, excessive site disturbance, the limits of all site work construction and driveway grading must be clearly established on the site prior to start of any grading activity or other site disturbance. This limit shall be delineated with snow fencing or other acceptable methods that can be maintained throughout the construction period. Once established, no grading or construction disturbance shall occur outside of this limit line. After construction, natural landscaping shall continue uninterrupted to this line.

Members of the DRC will inspect the site after the above limit line has been established and prior to start of any site disturbance.

3. Completion Review

After completion of construction, the site and building will be inspected by the DRC for compliance with approved plans and specifications.

C. CONSTRUCTION PERIOD

Construction shall be performed promptly and as diligently as possible. All site and building development shall be completed within three hundred sixty (360) days after the date on which the work commenced; however, once construction begins owners must pursue construction diligently.

D. NOTICE OF COMPLETION

Upon completion of any work for which approval has been given, the owner shall submit written notice of completion to the DRC. Within 30 days thereafter, a representative of the DRC may inspect such improvement. If the DRC finds that such work was not done in substantial compliance with the approved plans, it shall notify the owner in writing of such noncompliance within the 30-day period and require the owner to correct the matter.

If upon expiration of the 30 days from the date of modification, the owner has failed to remedy the noncompliance, the DRC may levy a fine against such owner for the costs of removing or remedying such noncompliance.

E. VARIANCE

The DRC may authorize Variances from any provisions contained in these Guidelines including restrictions on height, size, floor area or placement of structures, or similar restrictions when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental consideration may require such Variances, subject to applicable Town of Taos Regulations. The granting of a Variance must be evidenced in writing and must be signed by at least a majority of the DRC.

F. CONSTRUCTION ETIQUETTE

1. Prior to Construction

Once the Design Review Committee has approved Final Plans for a Lot Owner, prior to commencement of construction, Owner and/or Owner's General Contractor shall:

- post the site with signage indicating the General Contractor's name, Construction Industries Division License Number and phone number; and,
- cause a portable sanitation facility to be placed on the site for construction crew usage.
- Post all Town of Taos Construction Notices.

2. During Construction

During Construction Owner and/or Owner's General Contractor shall:

- keep the construction site clean and clear of construction debris on a daily basis;
- keep construction noise and dust to a minimum;
- allow construction activities to occur only from 7:00 am to 7pm weekdays; 9:00 am to 5:00 pm Saturday. No construction on Sunday; and,
- assure that the General Contractor's employees, subcontractors and their employees park their vehicles so as not to block or damage subdivision easement and roadways and so as not to damage vegetation.

3. Completion of Construction

Within fifteen (15) days of the completion of Construction, Owner and/or Owner's General Contractor shall:

- cause all construction debris to be removed from the Lot;
- cause the portable sanitation facility to be removed;
- cause construction signage to be removed; and,
- restore all vegetation in accordance with Section 2(I) of the Design Guidelines, as Amended; and,
- repair and restore any and all construction damage done to the roadways accessing the Lot.

These Design Guidelines are dated this _____ day of _____, 2008 and may be amended, from time to time, upon the consent of a majority of a quorum of the Members of the Las Olas Subdivision Homeowners Association.

LAS OLAS, LLC,
A New Mexico Limited Liability Company
("Declarant")

DRAFT/NOT FOR SIGNATURE

By _____
Mitchell G. Feldman, Member