

**BYLAWS
OF
BELL LOFTS UNIT OWNERS ASSOCIATION**

ARTICLE I Application of Bylaws

Section 1.1 Applicability. These Bylaws provide for the governance of the Bell Lofts Unit Owners Association (the "Association"), which has been formed as a New Mexico nonprofit corporation, to possess and exercise the powers and duties conferred under the Declaration (as defined below) and the New Mexico Condominium Act, being Sections 47-7A-1 through 47-7D-20 NMSA 1978, as amended and supplemented from time to time (the "Act"). The Property being developed as the condominium, known as Bell Trading Post Lofts Condominium, as further described in Exhibit A attached to the Declaration (hereinafter defined), is located in Bernalillo County, New Mexico, and has been submitted to the provisions of the Act by recordation of the Declaration of Condominium and of Covenants, Conditions and Restrictions for Bell Trading Post Lofts Condominium including any amendments thereto, in the real estate records of Bernalillo County, New Mexico (the "Declaration").

Section 1.2. Definitions. Capitalized terms used and not defined in these Bylaws shall have the meanings assigned to such terms in the Declaration or, if not defined in the Declaration, in the Act.

Section 1.3 Compliance. The Declarant and every Unit Owner and all those entitled to occupy a Unit shall comply with these Bylaws.

Section 1.4 Office. The office of the Condominium and the Association shall be located at the Property or at such other place as may be designated from time to time by the Board of Directors.

ARTICLE II Association Membership and Meetings

Section 2.1 General Responsibilities. The Association shall have the responsibility of administering the Project, establishing the annual budget, providing for the collection of assessments and other charges, and arranging for the management of the Project and performing all of the other acts that may be required or permitted to be performed by the Act and the Declaration. Except as to those matters which the Act specifically requires to be performed by the vote of the Owners, the foregoing responsibilities shall be performed by the Board of Directors or Managing Agent as more particularly set forth in Article III of these Bylaws.

Section 2.2 Membership. Ownership of a Unit is required in order to qualify for membership in the Association. Any person, on becoming the owner of a Unit ("Owner" or "Unit Owner"), shall automatically become a member of the Association and be subject to these Bylaws. Such membership shall terminate without any formal Association action whenever such person ceases to own a Unit. Any such termination shall not, however, relieve or release any such former Owner from any liability or obligation incurred under or in any way connected with the

Association during the period of ownership and membership in the Association, or impair any rights or remedies of other Owners, either through the Board of Directors or directly, against a former Owner and member arising out of or in any way connected with ownership and membership and the covenants and obligations incident thereto.

Section 2.3 Annual Meetings. The annual meeting of the Association shall be held on the first Saturday of December of each year, beginning in 2008. At such annual meeting, the Board of Directors shall be elected by ballot of the Owners in accordance with the requirements of the Declaration and Section 3.4 of these Bylaws. The Board of Directors may change the date of the annual meeting to a date not otherwise inconsistent with the requirements of the Declaration and these Bylaws.

Section 2.4 Special Meetings. The President shall call a special meeting of the Association members if so directed by resolution of the Board of Directors or upon presentation of a petition signed and presented to the Secretary by Owners holding not less than twenty-five percent (25%) of the votes in the Association. The notice of any special meeting shall state the time, place and purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 2.5 Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place reasonably convenient to the Owners as may be designated by the Board of Directors.

Section 2.6 Notice of Meetings; Waiver.

(a) The Secretary shall mail or cause to be delivered to each Owner a notice of each meeting of the Owners at least ten (10) but not more than sixty (60) days prior to such meeting, stating the time, place and purpose thereof. The mailing of a notice of meeting in the manner provided in this Section and Section 9.1 of these Bylaws shall be considered service of notice.

(b) Any Owner may, in writing, waive notice of any meeting of the Owners, either before or after such meeting. Attendance at a meeting by an Owner, whether in person or by proxy, shall be deemed waiver by such Owner of notice of the time, date, and place thereof, except where such Owner attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened and such Owner specifically so objects at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted at the special meeting, unless objection to the calling or convening of the meeting is raised before the business is put to a vote.

Section 2.7 Adjournment of Meetings; Loss of Quorum. If any meeting of the Association cannot be held because a quorum is not present, fifty-one percent (51%) of the Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. A meeting may be so adjourned for other reasons by a vote of two-thirds of the Owners present in person or by proxy. At such adjourned meeting (at which a quorum shall be present), any business which might have been transacted at the meeting originally called may be transacted. If a time and

place for the adjourned meeting is not fixed by those in attendance at the original meeting, or if for any reason a new date is not fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to Owners in the manner prescribed for regular meetings (except that the minimum notice may be less than ten (10) days if the time to the adjourned meeting is less than ten (10) days).

The Owners present at a meeting duly called and held at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Owners to leave less than a quorum, provided that any action taken shall be approved by at least fifty-one percent (51%) of the Owners required to constitute a quorum.

Section 2.8 Order of Business. The order of business of all annual meetings of the Association members shall be as follows:

- (a) Roll call;
- (b) Proof of notice of meeting;
- (c) Approval of minutes of preceding meeting;
- (d) Reports of Officers and Directors;
- (f) Reports of committees;
- (g) Election of members of the Board of Directors (when required);
- (h) Unfinished business;
- (i) New business;
- (j) Ratification of budgets and assessments (when required).

Section 2.9 Voting.

(a) Voting at all meetings of the Association shall be in accordance with the number of votes assigned to each Unit in the Declaration. The term "Total Votes," as used in these Bylaws, means the total number of votes assigned to all of the Units. Where the ownership of a Unit is in more than one person, the person who shall be entitled to cast the vote of such Unit shall be the person named in a certificate executed by all of the owners of such Unit and filed with the Secretary of the Association before the meeting. Such certificate shall be valid until revoked by a subsequent certificate similarly executed; such revocation and replacement shall be made and filed a reasonable time before the meeting at which it is to be used. If the person named in the certificate is absent from the meeting, any Owner who is present shall be entitled to cast the vote of such Unit. If more than one person owning such Unit is present then such vote shall be cast only in accordance with the agreement of a majority of them pursuant to Section 47-7C-10 of the Act. Such majority agreement may be presumed if any one of the multiple owners casts the vote allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Unit. Absent such majority agreement, the Unit's vote may be suspended or rejected if more than one person attempts to exercise the vote allocated to the Unit. The Board of Directors shall determine the disposition of any such tendered votes by such multiple owners, and the Board's determination shall be final.

(b) Except where a greater number is required by the Act, the Declaration or these Bylaws, the affirmative vote of Owners holding fifty-one percent (51%) of the Total Votes

represented in person or by proxy at a duly convened meeting at which a quorum is present is required to adopt decisions at any meeting of the Association members.

(c) If the Declarant owns or holds title to one or more Units, the Declarant shall have the right at any meeting of Association members to cast the votes to which such Unit or Units are entitled.

(d) No Owner may vote at any meeting, be included in determining the presence of a quorum or Special Quorum at a meeting or be nominated or elected to or serve on the Board of Directors or as an officer of the Association if, at the time of such meeting, nomination or election, the Owner is delinquent in the payment of any Assessments imposed by the Association or has had voting privileges suspended as provided in these Bylaws. The foregoing disqualification shall continue until such time as the Owner has paid such delinquent Assessments and has provided the Board with such reasonable assurances, if any, as may be requested by the Board against the recurrence of any such delinquency, or such suspended privileges have been restored, as the case may be.

(e) Where the vote of the "Owner" of the Property is called for under the Declaration, the voting method used to establish the vote of the "Owner" shall be the affirmative vote of Owners holding fifty-one percent (51%) of the Total Votes represented in person or by proxy at a duly convened meeting at which a quorum is present.

(f) Any proposed amendment to the Articles must be approved by two-thirds (2/3rds) of the Owners present at a duly called Association meeting at which a Special Quorum is present.

Section 2.10 Proxies. A vote may be cast in person or by proxy. Proxies shall be duly executed and in writing, shall be valid only for the particular meeting designated therein and must be filed with the Secretary before the time stated in the notice of the meeting. Such proxy shall be deemed revoked only upon actual receipt by the person presiding over the meeting of notice of revocation from the Owner of such Unit. No proxy shall in any event be valid for a period in excess of one hundred eighty (180) days after the execution thereof. In the case of a Unit owned by more than one Owner, any Owner may execute a proxy or a notice of revocation.

Section 2.11 Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of Owners entitled to cast thirty-four percent (34%) or more of the votes in the Association shall constitute a quorum at all meetings of the Association.

Section 2.12 Special Quorum. A "Special Quorum" exists if Owners entitled to cast more than fifty percent (50%) of the votes in the Association are present, in person or by proxy, at the beginning of the meeting and at the time of voting on the issue for which the Special Quorum is required.

Section 2.13 Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting. The President may appoint a person to serve as parliamentarian at any meeting. The then

current edition of *Robert's Rules of Order* shall govern the conduct of all meetings of the Association when not in conflict with the Declaration, these Bylaws or the Act. Failure to follow Robert's Rules of Order shall not, without other grounds, invalidate any action taken. All votes shall be tallied by tellers appointed by the President.

Section 2.14 Action without Meeting. Except as may be prohibited by the Act, the Declaration or these Bylaws, any action which may be taken at a special meeting of the Owners called by resolution of the Board (except for the election or removal of Directors) may be taken without a meeting if all of the Owners sign a written consent to such action. Any such written consent may be signed in one or more counterparts, shall have the effect provided in the Nonprofit Corporation Act and shall be filed with the minutes of the proceedings of Owners' meetings.

ARTICLE III Board of Directors

Section 3.1 Number and Qualification; Declarant Control Period.

(a) The affairs of the Association shall be governed by a Board of Directors. The Board of Directors shall be composed of Owners or the legal representative of Owners, Mortgagees (or designees of Mortgagees) or designees of the Declarant. The number of Directors on the Board shall be not less than three (3) nor more than five (5). The initial Board shall consist of three (3) members. Following the Declarant Control Period (as defined in the Declaration), the Board shall consist of five (5) members.

(b) Declarant shall designate, remove and replace all of the Directors of the Association during the period (the "Initial Declarant Governance Period") which commences upon the closing of the first Unit to be sold in any portion of the Condominium and concludes after sixty (60) days following the sale of fifty percent (50%) of the Units to Owners other than Declarant, as provided in the Declaration. Thereafter, Declarant shall appoint a majority of the Board of Directors during the period (the "Secondary Declarant Governance Period") which commences immediately after the Initial Declarant Governance Period and concludes upon the end of the Declarant Control Period (as defined in the Declaration). Declarant may, at any time during the Declarant Control Period, record a notice to the Owners voluntarily surrendering the right to appoint and remove Directors and/or officers, all as further provided in the Declaration. The Declarant shall have the right, in its sole discretion, during either Declarant Governance Period to replace Directors designated by the Declarant, and to designate their successors. The expiration of either Declarant Governance Period shall not impair any special declarant right or development right of Declarant under Article XVI of the Declaration.

Section 3.2 Powers and Duties. The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are permitted by the Condominium Act, the New Mexico Nonprofit Corporation Act, the Declaration or these Bylaws, and not required to be exercised and done by the Owners.

The Board of Directors may delegate to one of its members or, if employed for such purpose, to the Managing Agent (as defined in Section 3.3 of these Bylaws) the authority to act on

behalf of the Board of Directors on matters relating to its duties of, if any, which may arise between meetings of the Board of Directors, as the Board of Directors deems appropriate. In addition to the duties imposed by these Bylaws or by any resolution of the Association that may hereinafter be adopted, the Board of Directors shall, on behalf of the Association:

(a) Prepare an annual budget, in which there shall be established the assessment of each Owner for the Common Expenses pursuant to Article V.

(b) Establish and levy from time to time Annual Assessments, Special Assessments, Capital Improvement Assessments and Reconstruction Assessments, as provided in the Declaration; and to determine and fix the due date for the payment of such Assessments, and the date upon which the same shall become delinquent.

(c) Provide for the operation, care, upkeep and maintenance of the portion of the Property to be operated, cared for and maintained by the Association.

(d) Designate, hire and dismiss personnel necessary for the maintenance, operation, repair and replacement of the Common Elements and provide services for the Property and, where appropriate, provide for the compensation of such personnel and for the purchase of equipment and supplies to be used by such personnel in the performance of their duties, which supplies and equipment shall be deemed part of the Property.

(e) Collect the assessments against the Owners, deposit the proceeds thereof in Association bank accounts, and use the proceeds to carry out the administration of the Property.

(f) Open bank accounts on behalf of the Association and designate the signatories thereon.

(g) Make, or contract for the making of, repairs, additions and improvements to or alterations of the Property and repairs to and restoration of the Property, in accordance with the Act, the Declaration and these Bylaws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

(h) Enforce by legal means the provisions of the Declaration, these Bylaws and the Rules and Regulations and act on behalf of the Owners with respect to all matters arising out of any eminent domain proceeding.

(i) Obtain and carry insurance against casualties and liabilities, as provided in Article VI of these Bylaws, pay the premiums therefor and adjust and settle any claims thereunder.

(j) Pay the cost of all authorized services rendered to the Association and not billed to individual Owners or as otherwise provided for in Sections 5.1 and 5.2 of these Bylaws.

(k) Keep books with detailed accounts in chronological order of the receipts and expenditures affecting the Condominium Property, and the administration of the Condominium, specifying the expenses of maintenance and repair of the Common Elements and any other

expenses incurred. Such books and account records shall be available for examination by, and at the expense of, the Owners, their duly authorized agents or attorneys, during general business hours on working days at the time and in the manner prescribed by the Board of Directors. All such books and records shall be kept in accordance with accounting practices appropriate and accepted for such purpose.

(l) In addition to the foregoing, the board of Directors shall have the power, but not the duty, to do any one or more of the following:

(i) Make, amend, repeal and replace Rules and Regulations.

(ii) Notify a Mortgagee of any default by the Owner of the Unit subject to such Mortgage in the payment of Assessments and any other payments required under the Condominium Documents, in the event such default continues for a period exceeding sixty (60) days.

(iii) Borrow money on behalf of the Association when required in connection with any event or circumstance relating to the operation, care, upkeep and maintenance of the Common Elements, provided, however, that the affirmative vote of Owners representing fifty-one percent (51%) of the Total Votes at a meeting duly called and held in accordance with these Bylaws, shall be required to borrow any such sum in excess of Ten Thousand Dollars (\$10,000). If any sum borrowed by the Board of Directors on behalf of the Condominium pursuant to this subsection is not repaid by the Association, any Unit Owner who pays to the creditor the portion of the outstanding indebtedness represented by such Owner's Allocated Interest shall be entitled to obtain from the creditor a release of any judgement or other lien which such creditor shall have filed or shall have the right to file against the Unit of such Owner.

(iv) Sell property of the Association; provided, however, that the prior vote or written approval of the Owners holding at least two-thirds (2/3) of the Total Votes must be obtained to sell during any Fiscal Year property of the Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that Fiscal Year.

(v) Acquire, hold and dispose of Units and mortgage the same if such actions and expenditures are included in the budget adopted by the Association.

(vi) In its sole discretion, designate from time to time certain Common Elements as Limited Common Elements and impose such restrictions and conditions of the use thereof as the Board of Directors deem appropriate.

(vii) Do such other things and acts permitted or required under the Act, the Declaration or these Bylaws which the Board of Directors may be authorized to do by resolution the Association.

Section 3.3 Managing Agent. The Board of Directors may employ for the Association a Managing Agent at a rate of compensation established by the Board of Directors to perform such duties and services as the Board may authorize. The qualifications and employment of the

Managing Agent, if any, shall also be subject to the provisions of the Declaration. The Managing Agent shall not, however, have the power to perform any of the functions set forth in subsections (b), (f), (h), (i) and (l) (other than paragraph (ii) thereof) of Section 3.2. The Managing Agent shall not be an Officer or Director of the Association, but may be the Declarant, an affiliate of the Declarant or an affiliate of a Director.

Section 3.4 Election and Term of Office.

(a) At the first annual meeting of the Owners, and thereafter at each annual meeting of the Owners, new Directors shall be elected by the Owners as provided in these Bylaws, and all positions on the Board of Directors shall be filled at that election. If an annual meeting is not held, or the Board is not elected at such meeting, the Board may be elected at any special meeting of the Owners held for that purpose. Each Director shall hold office until his successor has been elected or until his death, resignation, removal or judicial adjudication of mental incompetence.

(b) The term of office of one member of the Board of Directors shall be fixed at three (3) years, the term of office of one member of the Board of Directors shall be fixed at two (2) years, and the term of office of one member of the Board of Directors shall be fixed at one (1) year. At each annual meeting after the expiration of the Initial Declarant Governance Period or after Declarant control of the Board is voluntarily relinquished, new Directors shall be elected to fill vacancies created by resignations (whether or not the vacant Director position was filled on an interim basis pursuant to Section 3.6) or expirations of the terms of past Directors. Following the first annual meeting, the term of office of each Director elected to fill a vacancy created by the expiration of the term of office of the respective past Director shall be for two (2) years. The term of office of each Director elected to fill a vacancy created by resignation, death or removal of his predecessor shall be the balance of the unserved term of his predecessor.

(c) Any person serving as a Director may be re-elected, and there shall be no limitation on the number of terms during which a person may serve. Each Owner may accumulate his votes for the election and removal of Directors as provided in this Article. At any election of one or more Directors, the Owner of each Condominium shall be entitled to cast a number of votes equal to the number of Directors to be elected at such meeting. Such Owner may cast all of such votes for a single candidate or may distribute the votes among as many candidates as the Owner sees fit.

(d) Nominations for persons qualified to be members of the Board of Directors may be submitted from the floor at any meeting at which an election is to be held to fill a vacancy on the Board of Directors, provided that only one person has been nominated by petition or by a nominating committee of the Board.

Section 3.5 Removal or Resignation of Directors. Except with respect to Directors designated by Declarant, any one or more of the members of the Board of Directors may be removed with or without cause by the vote of Owners holding at least fifty-one percent (51%) of the Total Votes present or participating by proxy at any regular or special meeting duly called. Any Director whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting. If any or all of the Directors are removed at a meeting, new Directors may be elected at the same meeting. A member of the Board of Directors may resign at any time.

Section 3.6 Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association shall be filled by a vote of a majority of the remaining Directors at a special meeting of the Board of Directors held for such purpose promptly after the occurrence of any such vacancy, even though the Directors present at such meeting may constitute less than a quorum. Each person so elected shall be a member of the Board of Directors for the remainder of the term of the member being replaced and until a successor shall be elected at the next annual meeting of the Association. A vacancy or vacancies shall be deemed to exist in case of death, resignation, removal or judicial adjudication of mental incompetence of any Director, or in case the Owners fail to elect the full number of authorized Directors at any meeting at which such election is to take place. Any vacancy not filled by the Directors may be filled by vote of the Owners at the next annual meeting of the Owners or at a special meeting of the Owners called for such purpose. If such a vacancy shall occur within sixty (60) days prior to the date scheduled for the next annual meeting of the Association, then the remaining Directors may leave the position vacant until such annual meeting.

Section 3.7 Initial Meeting. The first meeting of the Board of Directors following the annual meeting of the Association shall be held within seven (7) days thereafter, at such time and place as shall be fixed by the Association at the initial annual meeting. No notice shall be necessary to the newly elected members of the Board of Directors in order to legally constitute such meeting, providing a majority of the whole Board of Directors shall be present at such meeting.

Section 3.8 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors, but such meetings shall be held at least once every four (4) months during each Fiscal Year. Notice of regular meetings of the Board of Directors shall be given to each Director, by mail, electronic mail, facsimile or hand delivery, at least ten (10) days prior to the day stated for such meeting.

Section 3.9 Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) business days' notice to each Director, given by mail, electronic mail, facsimile or hand delivery, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and upon like notice on the written request of at least two (2) Directors.

Section 3.10 Waiver of Notice. Any Director may at any time, in writing, waive notice of any meeting of the Board of Directors, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board of Directors, other than attendance for the sole purpose of objecting to the manner in which such meeting was called, shall constitute a waiver of notice by him of the time, place and purpose of such meeting. If all Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 3.11 Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less

than a quorum present, a majority of those present (but more than one Director) may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 3.12 Fidelity Bonds. Any requirements for fidelity bonds shall be determined by the Board of Directors in accordance with any requirements set forth in the Declaration.

Section 3.13 Compensation. No Director shall receive any compensation from the Association for acting as such.

Section 3.14 Conduct of Meetings. The President shall preside over all meetings of the Board of Directors and the Secretary shall keep a minute book of the Board of Directors recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings. The then current edition of *Robert's Rules of Order* may be used to govern the conduct of the meetings of the Board of Directors when not in conflict with the Declaration, these Bylaws or the Act.

Section 3.15 Action without Meeting. Except as may be prohibited by the Act, the Declaration or these Bylaws, any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board of Directors shall sign a written consent to such action. Any such written consent may be signed in counterparts and shall have the effect provided in the Nonprofit Corporation Act and be filed with the minutes of the proceedings of the Board of Directors.

Section 3.16 Liability of Directors, Officers, Owners and Association.

(a) Officers and members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association. The liability of any Owner arising out of any contract made by the Officer or Board of Directors, or out of a right of indemnification in favor of the members of the Board of Directors or Officers, or for damages as a result of injuries arising in connection with the Common Elements solely by virtue of the ownership of a Allocated Interest therein or for liabilities incurred by the Association, shall be limited to the total liability multiplied by the Interest of the Unit. Every agreement made by the Officers, the Board of Directors or the Managing Agent on behalf of the Association shall, if practicable, provide that the Officers, the members of the Board of Directors or the Managing Agent, as the case may be, are acting only as agents for the Association and shall have no personal liability thereunder (except as Owners), and that each Owner's liability thereunder shall be limited to the total liability multiplied by his Allocated Interest.

(b) The Association shall not be liable for any failure of water supply or other services that may be obtained by the Association or paid for as a Common Expense, or for injury or damage to person or property caused by the elements or by the Owner of any Unit or any other person, or resulting from electricity, water, snow or ice which may leak or flow from any portion of the Common Elements or from any pipe, drain, conduit, appliance or equipment, unless caused by the negligence of the Association. The Association shall not be liable to any Owner for loss or damage,

by theft or otherwise, of any article which may be stored upon any of the Common Elements. No diminution or abatement of any assessments, as herein elsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Elements or from any action taken by the Association to comply with any law, ordinance or with the order or directive of any municipal or other governmental authority.

Section 3.17 Common or Interested Directors. Each member of the Board of Directors shall exercise his powers and duties in good faith and with a view to the interests of the Project and the Association. No contract or other transaction between the Association and any of its Directors, or between the Association and any corporation, firm or association (including the Declarant) in which any of the Directors of the Association are directors or officers or are pecuniarily or otherwise interested ("Interested Director"), is either void or voidable because any such Interested Director is present at the meeting of the Board of Directors or any committee thereof which authorized or approves the contract or transaction, if either:

(a) the fact of the common directorate or interest is disclosed or known to the Board of Directors or a majority thereof or noted in the minutes, the Interested Director(s) does not vote on the questions, and the Board of Directors authorizes, approves or ratifies such contract or transaction in good faith by a vote sufficient for the purpose (even if the disinterested Directors are less than a majority), or

(b) the contract or transaction is commercially reasonable to the Association at the time it is authorized, ratified, approved or executed (whether or not the vote of the Interested Director was counted for such purpose), or

(c) the fact of the common directorate or interest is disclosed or known to at least a majority of the Owners, and the Owners approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose

Any Interested Directors may be counted in determining the presence of a quorum of any meeting of the Board of Directors or committee thereof which authorizes, approves or ratifies any contract or transaction, and, if the foregoing conditions are satisfied, may vote at such meeting to authorize any contract or transaction with like force and effect as if such Director were not such director or officer of such association or not so interested.

Section 3.18 Architectural Committee.

(a) As provided in the Declaration, the Declarant or the Board of Directors may constitute and appoint the members of an architectural review and control committee (the "Architectural Committee"). If created, the Committee members shall be at least two (2) in numbers, shall be Members of the Association, and may be Board members, as well. In the event of a deadlock (if an even number of Committee members remain), an aggrieved Applicant shall have an immediate right of appeal to the Board for the purpose of resolving such deadlock or reviewing such alleged abuse of discretion.

(b) The Architectural Committee, if created, shall review and approve or disapprove all applications by a Owner to make alterations, improvements or other changes to his/her Unit, and shall otherwise function, as provided in the Declaration. Actions and decisions of the Committee may be appealed to the Board of Directors; the Board may decline to consider such appeal or may modify or reverse an appealed action or decision.

(c) The Architectural Committee, if created, shall have such additional duties, power and authority, consistent with its general purpose, as the Board of Directors may from time to time provide by resolution. After the end of the Declarant Control Period, the Board may at any time, upon reasonable notice to the Unit Owners, disband the Architectural Committee, in which event all powers and duties previously exercised by the Committee shall revert to the Board.

Section 3.19 Rules and Regulations. The Board of Directors shall have the powers from time to time to adopt any Rules and Regulations deemed necessary for the benefit, enjoyment and protection of the Project and the Owners (the "Rules and Regulations"), as further described and provided for in the Declaration. Such Rules and Regulations shall become effective and binding after (1) they are adopted by a majority of the Board at a duly called meeting, and (2) they are mailed or otherwise delivered to each Owner and are posted in a conspicuous place in the Common Elements. Proposed amendments to the Rules and Regulations shall be furnished to each Owner for review and comment.

ARTICLE IV Officers

Section 4.1 Designation. The principal officers of the Association shall be the President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint a Vice President, an assistant treasurer, an assistant secretary and such other Officers as in its judgment may be necessary. The President and any Vice President shall be members of the Board of Directors.

Any other Officers may, but need not, be Owners or members of the Board of Directors.

Section 4.2 Election of Officers; Vacancies. The Officers of the Association shall be elected initially at the organization meeting of and annually thereafter by the Board of Directors each new Board of Directors, and shall hold office at the pleasure of the Board of Directors. The Board of Directors shall promptly fill any vacancy created by the departure of any officer serving hereunder.

Section 4.3 Removal of Officers. Upon the affirmative vote of a majority of all Directors, any Officer may be removed, either with or without cause, and a successor may be elected at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors called for such purpose.

Section 4.4 President. The President shall be the chief executive officer of the Association; preside at all executive meetings of the Association and of the Board of Directors; and have all of the general powers and duties which are incident to the office of President of a

corporation, including without limitation the power to appoint committees from among the Owners from time to time as the President may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 4.5 Vice President. The Vice President, if one is elected by the Board, shall take the place of the President and perform the duties of the President whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board of Directors to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be conferred upon him by the Board of Directors or by the President.

Section 4.6 Secretary. The Secretary shall keep the minutes of all meetings of the Association and of the Board of Directors; have charge of such books and papers as the Board of Directors may direct; maintain a register setting forth the place to which all notices to Owners and Mortgagees hereunder shall be delivered; and, in general, perform all duties incident to the office of Secretary of the corporation.

Section 4.7 Treasurer. The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data; and be responsible for the deposit of all monies and other valuable effects in the name of the Board of Directors, the Owners, Association or the Managing Agent, in such depositories as may from time to time be designated by the Board of Directors; and, in general, perform all duties incident to the office of Treasurer of the corporation.

Section 4.8 Execution of Documents. (a) All agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations in excess of One Thousand Dollars (\$1,000), shall be executed by any two persons designated by the Board of Directors. All such instruments for expenditures or obligations of One Thousand (\$1,000) or less may be executed by any one person designated by the Board of Directors.

(b) Amendments to the Declaration shall prepared and executed by the President and attested by the Secretary, who shall cause each amendment to be recorded as provided by the Declaration and by applicable law.

Section 4.9 Compensation of Officers. No Officer who is also a Director shall receive any compensation from the Association for acting as such Officer.

ARTICLE V Operation of the Property

Section 5.1 Determination of Common Expenses; Owner Assessments.

(a) *Fiscal Year.* The fiscal year of the Association shall be the calendar year unless otherwise determined by the Board of Directors.

(b) *Preparation and Approval of Budget.*

(1) On or before the fifteenth day of November of each year, the Board of Directors shall prepare a proposed budget for the Association containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the Common Elements and any portions of the Units as to which it is the responsibility of the Association to maintain, repair and replace, and the cost of wages, materials, insurance premiums, services, supplies and other expenses constituting working capital that may be declared to be Common Expenses by the Act, the Declaration, these Bylaws or a resolution of the Association. The budget shall also include such reasonable amounts as the Board of Directors considers necessary or appropriate as additions to the Operating Fund and the Reserve Fund, and any other Maintenance Funds or similar funds or accounts, as provided in the Declaration.

(2) No fewer than fifteen (15) days nor more than thirty (30) days before the scheduled adoption of the budget, the Board of Directors shall send to each Owner a copy and summary of the budget, in a reasonably itemized form, which sets forth the amount of the Common Expenses and any Special Assessment payable by each Owner. The budget shall constitute the basis for determining each Owner's Annual Assessment for the Common Expenses of the Association, and shall be submitted for ratification by the Owners at the upcoming Annual Meeting or at a Special Meeting. The Meeting and ratification of the budget shall conform to the requirements of the Declaration.

(c) *Payments of Assessments for Common Expenses.* On or before the first day of each fiscal year, and monthly thereafter, each Owner shall be obligated to pay to the Board of Directors or the Managing Agent (as determined by the Board of Directors), one-twelfth (1/12) of such assessment. Within sixty (60) days after the end of each fiscal year, the Board of Directors shall supply to all Owners and to each Mortgagee and itemized accounting of the Common Expenses for such fiscal year actually incurred and paid, the actual additions to and uses of the Maintenance Funds and any other reserves, together with a tabulation of the amount collected pursuant to the budget for such fiscal year just ended, and showing the net excess or shortfall of such collections compared to such outlays. Any such excess shall, if the Board of Directors deems advisable, be credited, according to each Owner's Allocated Interest, to the next monthly installment or installments due from Owners under the current fiscal year's budget, until exhausted. Any such shortfall shall be assessed in accordance with each Owner's Allocated Interest and shall be payable in full with payment of the next monthly assessment due; the Board of Directors in its discretion may spread the shortfall payment over two or more upcoming installments.

(d) *Reserves.* The establishment, maintenance and administration of the Maintenance Funds and any other reserve funds shall proceed in accordance with the Declaration and these Bylaws.

(e) *Initial Budget and Capital Payment.*

(1) Upon taking office, the first Board of Directors elected or designated pursuant to these Bylaws shall determine the budget, as defined in this Section, for the period commencing not more than thirty (30) days after such election and ending on the last day of the fiscal year in which such election or designation occurs. Assessments shall be levied during such initial period as provided in paragraph (c) of this Section.

(2) Declarant, on behalf of the Board of Directors, will collect from each initial purchaser of a Unit at the time of closing an "initial capital payment" equivalent to:

(i) the estimated monthly assessment for Common Expenses for such purchaser's Unit; and

(ii) his Allocated Interest portion of other Unit charges, if applicable.

The Declarant will deliver the funds so collected to the Board of Directors to provide the necessary working capital for the Association.

(f) *Effect of Failure to Prepare or Adopt Budget.* The failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of an Owners obligation to pay his allocable share of the Common Expenses herein provided whenever the same shall be determined. In the absence of any annual budget or adjusted budget, each Owner shall continue to pay each monthly installment at the monthly rate established for the previous fiscal year until notice of the monthly payment, which is due more than thirty (30) days after such new annual or adjusted budget shall have been delivered.

(g) *Accounts.* All sums collected by the Board of Directors with respect to assessments against the Owners or from any other source may be commingled into a single fund, but shall be held for each Owner in accordance with his Common Expense liability; provided, that amounts collected with respect to Maintenance Funds shall not be commingled with each other or with other funds.

Section 5.2 Payment of Common Expenses. The liability of an Owner for payment of Assessments imposed upon a Unit in connection with a voluntary or involuntary conveyance of the Unit shall be as set forth in Section 9.05 of the Declaration and otherwise in accordance with the Act.

Section 5.3 Collection of Assessments. The Board of Directors or the Managing Agent, at the request of the Board of Directors, shall take prompt action to collect any assessments for Common Expenses due from any Owner, as well as late charges and other amounts, all as provided in Article IX of the Declaration.

Section 5.4 Statement of Common Expenses. The Board of Directors shall promptly provide any Owner, contract purchaser, or Mortgagee, upon written request, with a written statement of all unpaid assessments for Common Expenses due from such Owner. The Board of

Directors may impose a reasonable charge for the preparation of such statement to cover the cost of preparation to the extent permitted by the Act

Section 5.5 Maintenance, Repair, Replacement and Other Common Expenses.

(a) *By the Association.* The Association shall be responsible for the maintenance, repair and replacement of all of the Common Elements (including the Limited Common Elements) as provided herein and in the Declaration.

(b) *By the Owners.*

(1) Every Owner must perform promptly, at his sole cost and expense, such maintenance and repair work on his Unit as is required under the Declaration.

(2) As further provided in the Declaration, each Owner shall reimburse the Association for any expenditures incurred in repairing or replacing any portion of the Common Elements which is damaged through the fault of such Owner or his employees, patrons, guests, tenants or invitees. Such expenditures shall include any and all court costs and reasonable attorneys' fees incurred in enforcing any provision of these Bylaws or the Declaration.

(c) *Ambiguity.* In the event of any question or ambiguity with respect to maintenance responsibilities, such responsibilities shall be determined by majority vote of the Board of Directors.

(d) *Manner of Repair and Replacement.* All repairs and replacements shall be substantially similar to the original construction and installation and shall be of comparable quality as when new.

Section 5.6 Additions, Alterations or Improvements by Association. Any additions, alterations or improvements which are considered necessary, in the judgment of the Board of Directors, and which constitute a capital improvement or similar addition to the Common Elements shall be approved by the Directors and, if required, a specified portion of the Owners, in accordance with Section 9.08 of the Declaration. The cost of such additions, alterations or improvements shall be a Common Expense included in the Annual or Special Assessments to the Owners. Notwithstanding the foregoing, if, in the opinion of not less than two-thirds (2/3rds) of the members of the Board of Directors, such additions, alterations or improvements are exclusively or substantially exclusively for the benefit of the Owner or Owners requesting the same, such additions, alterations or improvements shall become part of the Limited Common Elements and shall be included in a Special Assessment to such requesting Owners, in such proportions as may be determined by the Board of Directors.

Section 5.7 Additions, Alterations or Improvements by Owners. No Owner shall make any structural addition, alteration or improvement with respect to its Unit, or to any Limited Common Elements associated with the Unit, without complying with the procedures set forth in the Declaration, including obtaining the prior written consent of the Board of Directors, if required therein.

Section 5.8 Right of Access. By acceptance of a deed to a Unit, each Owner thereby grants a right of access to its Unit, as provided by Section 47-7C-7 of the Act and the Declaration, to the Board of Directors or the Managing Agent, or any other person authorized by the Board of Directors or the Managing Agent, or any group of the foregoing, for the purpose of enabling the exercise and discharge of their respective powers and responsibilities. Such powers and responsibilities include, without limitation, making inspections, correcting any condition originating in his Unit and threatening another Unit or the Common Elements, performing installations, alterations or repairs to the mechanical or electrical services to the Common Elements in a Unit or elsewhere in the Property, or to correct any condition which violates any Mortgage. All requests for entry for purposes of maintenance or repair shall be made in advance and scheduled at a time reasonably convenient to the Owner, except in case of emergency, upon which such right of entry shall be immediate, whether the Owner is present at the time or not. The right of access provided herein shall be binding upon all transferees, successors and assigns of each Owner.

Section 5.9 Utility Charges. The cost of utilities serving the Condominium shall be a Common Expense or shall be billed directly to the Owners, as determined by the Board of Directors.

Section 5.10 Parking Spaces. The off-street parking for the Condominium shall be set forth in the Declaration. The cost of maintenance and repair of all parking areas shall be a Common Expense .

Section 5.11 Property on Common Elements. No Owner shall cause or permit personal property of any kind to be placed or stored on or in the Common Elements (other than in any areas designated as storage areas) any unless approved by the Board of Directors. The preceding restriction shall not apply to Declarant in the exercise of Declarant's management or maintenance of the Condominium.

Section 5.12 Leasing of Units. Leasing of Units shall be permitted only to the extent and subject to conditions set forth in the Declaration.

ARTICLE VI Insurance; Repair and Reconstruction

Section 6.1 Coverage; Payment. As provided in Article X of the Declaration, each Owner shall insure such Owner's Unit sufficient to cover replacement costs. In addition, each Owner shall insure the contents of such Owner's Unit. The Board of Directors shall obtain and maintain fire and extended insurance coverage for all Common Elements sufficient to cover replacement costs, and shall obtain and maintain liability insurance covering personal injury, death and property damage in reasonable amounts as determined by the Board of Directors. The cost of premiums for insurance coverage obtained by the Board of Directors for the benefit of the Association shall be a Common Expense. Owners may obtain additional insurance in their discretion.

Section 6.2 Repair and Reconstruction After Fire or Other Casualty. As provided in Article XI of the Declaration, in the event of damage to or destruction of all or any portion of the buildings of the Condominium as a result of fire or other casualty, the Board of Directors shall arrange for and supervise the prompt repair and restoration of the buildings, but not including any furniture, furnishings, fixtures, equipment or other personal property supplied or installed by the Owners in the Units. Notwithstanding the foregoing, each Owner shall have the right to supervise the interior redesign and redecoration of the Owner's own Unit.

ARTICLE VII Compliance and Default

Section 7.1 Owner Violations; Association Relief. Each Owner shall be governed by, and shall comply with, all of the terms of the Condominium Documents and the Act, as any of the same may be amended from time to time. In addition to, or in expansion of, the remedies provided in Section 47-7C-16 of the Act, a default by an Owner shall entitle the Association, acting through its Board of Directors or through the Managing Agent, to the relief provided under this Section.

(a) *Additional Liability.* Each Owner shall be liable for all expenses of maintenance, repair or replacement rendered necessary by the act, neglect or carelessness of such Owner or the act, neglect or carelessness of employees, agents or licensees of such Owner, but only to the extent that such expense is not covered by the proceeds of insurance carried by the Association. Such liability shall include any increase in casualty insurance rates occasioned by use, misuse, occupancy or abandonment of any Unit or its appurtenances.

(b) *Costs and Attorney's Fees.* In any proceeding arising out of any alleged default by an Owner, the prevailing party shall be entitled to recover the costs of such proceeding and such reasonable attorney's fees as may be determined by the court.

(c) *No Waiver of Rights.* The failure of the Association, the Board of Directors or of an Owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents or the Act shall not constitute a waiver of the right of the Association, the Board of Directors or the Owner to enforce such right, provision, covenant or condition in the future. All rights, remedies and privileges granted to the Association, the Board of Directors or any Owner pursuant to any term, provision, covenant or condition of the Condominium Documents or the Act shall be deemed to be cumulative and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such other privileges as may be granted to such party by the Condominium Documents or the Act or at law or in equity.

(d) *Interest.* In the event of a default by an Owner in paying any sum due the Association with respect to such party's Unit (other than payment for Common Expenses which are addressed in Section 5.3 above) which default continues for a period in excess of thirty (30) days, the principal amount unpaid shall bear interest at the rate of eighteen percent (18%) per annum from the due date until paid.

(e) *Abating and Enjoining Violations by Owners.* The violation of any of the Rules and Regulations, the breach of any provision of these Bylaws or the breach of any provision of the Declaration or the Act shall give the Association the right, in addition to any other rights set forth in these Bylaws:

(1) to enter the Unit in which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Association shall not thereby be deemed guilty in any manner of trespass; or

(2) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity the continuance of any such breach.

(f) *Legal Proceedings.* Failure to comply with any of the terms of the Declaration, these Bylaws and the Rules and Regulations shall be grounds for relief, including without limitation, an action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of all assessments, any other relief provided for in these Bylaws or any combination thereof and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Association, the Board of Directors (directly or through the Managing Agent) and shall not constitute an election of remedies.

(g) *Remedies for Violations.* In the event of an alleged violation of the Declaration, these Bylaws or the Rules and Regulations of the Association, and after written notice of such alleged failure is delivered (in the manner prescribed in the Declaration) to the Owner or any agent of the Owner ("respondent") alleged to be in default, the Board of Directors shall have the right, after affording the respondent an opportunity for an appropriate hearing as hereinafter provided, and upon an affirmative vote of a majority of all Directors on the Board at a meeting duly called, to take any one or more of the following actions ("Sanctions"): (1) levy a Special Assessment as provided in the Declaration; (2) suspend or condition the right of said Owner to use any portions of the Common Elements (other than Limited Common Elements) consisting of recreational or similar amenities owned, operated or maintained by the Association; (3) suspend said Owner's voting privileges as an Owner, as further provided in the Declaration; (4) record a notice of noncompliance affecting the Condominium Unit of the respondent; or (5) impose a fine in an amount not to exceed \$500 for each violation. Any such suspension shall be for a period of not more than thirty (30) days for any noncontinuing infraction, but in the case of a continuing infraction (including nonpayment of any assessment after the same becomes delinquent) may be imposed for so long as the violation continues. No Sanction against an Owner arising from the alleged violation shall take effect prior to the expiration of (a) five (5) working days after the hearing required herein or any waiver of hearing (actual or deemed) by the Owner. The remedies set forth above and otherwise provided by these Bylaws shall be cumulative and not exclusive.

(h) *Written Complaint.* A hearing to determine whether any Sanction should be imposed upon a respondent shall be initiated by the filing of a written Complaint by any Owner or by any officer or member of the Board of Directors with the President of the Association or other presiding member of the Board. The Complaint shall contain a written statement of allegations

which shall set forth in ordinary and concise language the acts or omissions with which the respondent is charged, and a reference to the specific provisions of the Restrictions which the respondent is alleged to have violated. A copy of the Complaint shall be delivered to the respondent in accordance with the notice procedures set forth in the Declaration and these Bylaws.

The respondent shall be entitled to a hearing on the merits of the matter, as provided below

(i) *Notice of Hearing.* The Board shall deliver in the manner prescribed by the notice procedures set forth in the Declaration a notice of hearing, on all parties at least ten (10) days prior to the hearing, unless such hearing is voluntarily and knowingly waived in writing by the respondent. The hearing shall be held no sooner than thirty (30) days after the Complaint is mailed or delivered to the respondent as provided in subsection (h) above. The notice to the respondent shall be substantially in the following form but may include other information:

"You are hereby notified that a hearing will be held before the Board of Directors of Bell Lofts Unit Owners Association at _____ on the ___ day of _____, _____, at the hour of _____ to consider the alleged violations set forth made in the Complaint served upon you. You may be present at the hearing, may—but need not—be represented by counsel, may present any relevant evidence, and will be given full opportunity to cross-examine all witnesses testifying against you. You are entitled to request the attendance of witnesses and the production of relevant books, documents or other items by applying to the Board of Directors of the Association."

(j) *Hearing.* Unless waived as provided above, the hearing shall be held before the Board in executive session on the date specified in the notice of hearing delivered to the respondent. If the respondent waives, in writing, his or her right to a hearing, the Board, in executive session, may proceed upon the Complaint without a hearing. Prior to the effectiveness of any Sanction hereunder, proof of notice, and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice together with a statement of the date and manner of delivery is entered by the officer or director or other person who mailed or delivered such notice. The notice requirement shall be deemed satisfied if the respondent appears at the meeting. If the respondent fails after notice to appear at a hearing, the Board shall attempt in good faith to afford the respondent a second opportunity to have a hearing, upon such notice as the Board deems reasonable. If the respondent fails to appear at the second hearing, such failure will be deemed to be a written waiver of such hearing, and the Board may proceed upon the Complaint without a hearing. The minutes of the meeting shall contain a written statement of the results of the hearing and the Sanction, if any, imposed.

Section 7.2 Lien for Assessments.

(a) *Annual Assessments.* The total annual assessment of each Owner for Common Expenses or any special assessment made pursuant to the Declaration and these Bylaws is a lien against the Unit of such Owner as provided in Section 47-7C-16 of the Act, and the Declaration, which lien shall, with respect to annual assessments, be effective on the first day of each fiscal year of the Association and, as to special assessments, on the first day of the next month which begins

more than fifteen (15) days after delivery to the Owner of notice of such assessment. The Board of Directors or the Managing Agent may file or record such other or further document, to confirm the establishment and priority of such lien.

(b) *Acceleration.* Where an assessment against an Owner is payable in installments, upon a default by such Owner in the timely payment for sixty (60) days, the maturity of the remaining total of the unpaid installments of such assessments may be accelerated, at the option of the Board of Directors, and the entire balance of the annual assessment may be declared due and payable in full by the service of notice to such effect upon the defaulting Owner and such Owner's Mortgagee by the Board of Directors or the Managing Agent.

(c) *Foreclosure of Lien.* The lien for assessment may be enforced and foreclosed in the manner provided by the laws of the State of New Mexico by action in the name of the Board of Directors, or the Managing Agent, acting on behalf of the Association. During the pendency of such suit, the Owner shall be required to pay a reasonable rental for the Unit for any period prior to sale pursuant to any judgment or order of any court having jurisdiction over such sale. The plaintiff in such proceeding shall have the right to the appointment of a receiver, if available under the laws of the State of New Mexico.

(d) *Money Judgment.* A suit to recover a money judgment for unpaid contributions may be maintained without foreclosing or waiving the lien securing the same, and a foreclosure may be maintained notwithstanding the pendency of any suit to recover a money judgment.

Section 7.3 Supplemental Enforcement of the Lien. In addition to the proceedings at law or in equity for the enforcement of the lien established by the Declaration, these Bylaws or the Act, all of the Owners may be required by the Declarant or the Board of Directors to execute bonds conditioned upon the faithful performance and payment of the installments of the lien established hereby.

Section 7.4 Subordination and Mortgagee Protection. The lien of any assessment levied pursuant to the Declaration or these Bylaws upon any Unit (and any penalties, interest or assessments, late charges or the like) shall be subordinate to, certain taxes, charges and Mortgages, as provided in the Declaration.

Such sale or transfer shall not relieve the purchaser of the Unit at such sale from liability for any assessment thereafter becoming due nor from the lien of any such subsequent assessment, which lien shall have the same effect and be enforced in the same manner as provided herein.

ARTICLE VIII Amendments to Bylaws

Section 8.1 Amendments. These Bylaws may not be modified or amended except by an amendment adopted by the affirmative vote of a majority of the Directors present in person or by proxy at a duly convened meeting of the Association; provided, however, that until the end of

the Declarant Control Period, no amendment shall affect the rights of Declarant as herein reserved or as set forth in the Declaration without the written consent of Declarant.

Section 8.2 Approval of Mortgagees. These Bylaws contain provisions concerning various rights, priorities, remedies and interests of Mortgagees. Such provisions in these Bylaws are to be construed as covenants for the protection of such Mortgagees and on which they may rely in making loans secured by Mortgages. Accordingly, no amendment or modification of these Bylaws impairing or affecting such rights, priorities, remedies or interests of a Mortgagee shall be adopted without the prior written consent of such Mortgagees.

**ARTICLE IX
Miscellaneous**

Section 9.1 Notices. All notices, demands, bills, statements or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by registered or certified mail, return receipt requested, postage prepaid (or otherwise as the Act may permit), (a) to an Owner, at the address which the Owner shall designate in writing and file with the Secretary of the Association or, if no such address is designated or the Board of Directors has reason to believe such address is not valid, at the address of the Unit of such Owner, or (b) to the Association, the Board of Directors or to the Managing Agent or at such other address as shall be designated by notice in writing to the Owners pursuant to this Section. If a Unit is owned by more than one person, each such person who so designated an address in writing to the Secretary shall be entitled to receive all notices hereunder

Section 9.2 Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws or the intent of any provision thereof.

Section 9.3 Gender. The use of the masculine gender in these Bylaws shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

We hereby certify that the above and foregoing Bylaws of Bell Lofts Unit Owners Association, a New Mexico nonprofit corporation, consisting of 22 pages, this page included, are the Bylaws of this corporation, adopted by the Board of Directors thereof on _____, 2008 (pursuant to the Directors' Unanimous Consent in Lieu of Organization Meeting).

_____, President

_____, Secretary

BELL TRADING POST LOFTS CONDOMINIUM

**BYLAWS
OF
BELL LOFTS UNIT OWNERS ASSOCIATION**

DATED: _____, 2008

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