

**DISCLOSURE STATEMENT  
FOR  
BELL TRADING POST LOFTS CONDOMINIUM**

**PROSPECTIVE PURCHASERS SHOULD REVIEW THIS DISCLOSURE STATEMENT CAREFULLY, ALONG WITH THE CONDOMINIUM DOCUMENTS AND OTHER DOCUMENTS REFERRED TO. PURCHASERS SHOULD FEEL FREE TO ASK QUESTIONS, MAKE ANY DESIRED INSPECTIONS AND TAKE ANY OTHER STEPS NECESSARY TO SATISFY THEMSELVES REGARDING ALL ASPECTS OF A UNIT THEY ARE CONSIDERING FOR PURCHASE.**

Introduction. This Disclosure Statement contains a summary of the important features of the Bell Trading Post Lofts Condominium. It also includes information we must provide to you under New Mexico law, including the New Mexico Condominium Act and by law must be delivered to each purchaser of a unit in the Condominium. In this Disclosure Statement, “we” or “our” means Family Housing Development Corporation, a New Mexico nonprofit corporation. The exhibits to this Disclosure Statement include legal documents which are required for the creation of the Condominium and other documents affecting the operation of the Condominium. The initial, narrative portion is intended to summarize the significant features of these documents and to provide a general explanation of the Condominium. Capitalized terms used in this Disclosure Statement and not otherwise defined are defined either in the exhibits or in the New Mexico Condominium Act, §47-7A-3 NMSA 1978. In the event of any inconsistency between the exhibits and the narrative, the provisions of the exhibits will govern. This Disclosure Statement is only a summary of this Condominium. You should carefully read this document and all exhibits attached.

Section 1. Brief Overview of Condominiums and Related Law

Under the condominium form of ownership, the owner of each condominium unit typically owns all of the space bounded by the undecorated interior surfaces of the walls, ceilings and floors of its particular unit. This space is owned in fee simple, and the owner has the exclusive right to possess it, subject to the easements set forth in the declaration (as defined below). Additionally, each unit owner owns an undivided percentage interest, as a “tenant in common” with all other owners of condominium units, in all of the common elements in the condominium. These common elements are defined as all portions of the condominium other than the units. They may include, but are not limited to, the structural elements of the buildings, and exterior walkways, parking areas and landscaped areas. They also include heating, plumbing and other mechanical or electrical systems serving the units. There are also limited common elements that are assigned specifically to each unit. These limited common elements can include such features as porches, patios and decks. These limited common elements are reserved for the exclusive use of the owner of the unit or units to which they are assigned, and, except as otherwise stated, the owner is responsible for the routine maintenance of these limited common elements.

A condominium is created by the recording of a condominium declaration with the county clerk of the county where the real estate is located. The person (or entity) who signs the declaration is the “declarant,” and is usually the developer of the project. The declaration must include certain items specified in the Condominium Act, including a condominium plat or plan, or both. Typically, the Condominium plan consists of as-built floor plans for the Condominium, including common elements. The units are legally described in the declaration, which includes the legal description of the condominium property as a whole, plus the condominium plat and/or plan.

A condominium must have an association of unit owners. Each unit owner is automatically a member of the association by virtue of owning a unit, and must pay his or her share of the cost of maintaining these common elements, and of managing the association, all as set forth in the declaration. The proportional obligations of unit owners to pay common expenses are frequently (but not always) allocated proportionally to the floor space of each unit. Voting power is frequently (but not always) allocated in the same manner. Supermajority requirements are commonly imposed for the decision of important issues, such as the amendment of the condominium declaration or the termination of the condominium. Voting rights of unit owners are subject to suspension for non-payment of assessments by the association.

In general, maintenance and repair of a unit is the responsibility of the unit owner, while maintenance and restoration of common elements is the responsibility of the association. The association assesses the unit owners to pay for common expenses, which typically include the costs of operation, cleaning and maintenance of the common elements, security, insurance on the common elements, utilities to the extent they are not separately metered, administration, and so forth. The nature and extent of common expenses as opposed to individual (unit) expenses may vary significantly, depending on the nature of the condominium and the specific provisions of the condominium declaration and the association’s articles, bylaws and rules. If assessments for common expenses are not paid by a given unit owner, the association may impose a lien on the unit, and, if necessary to obtain payment, foreclose on the lien, resulting in a sale of the unit and ejection of the owner(s).

The owners of the units have the right to use and enjoy all of the common elements located within the condominium, and any and all of the limited common elements allocated to their unit, subject to the restrictions contained in the declaration and the rules and regulations adopted and amended from time to time by the association.

Section 2. Name and Address of the Declarant and the Condominium

- a. Name of Declarant: Family Housing Development Corporation, a New Mexico limited liability company
- b. Address of Declarant: 8220 Louisiana Blvd. NE, Suite B  
Albuquerque, NM 87113  
P.O. Box 91525  
Albuquerque, New Mexico 87199-1525
- c. Name of Condominium: Bell Trading Post Lofts Condominium
- d. Address of Condominium: 1503 Central Avenue NW  
Albuquerque, NM 87102

Section 3. General Description of the Condominium

The Declaration of Condominium and of Covenants, Conditions and Restrictions (the "Declaration") has been recorded in the real estate records of Bernalillo County, New Mexico, creating the Condominium. A copy of the Declaration is attached hereto as Exhibit A, including the Condominium Plat in reduced form. The owners association is being formed as The Bell Lofts Unit Owners Association, Inc., a New Mexico nonprofit corporation (the "Association"). The Declaration and the Association are further described in Sections 4 and 7.

(a) The Condominium consists of an existing, one-story, steel and concrete block building(s) (the "Building"), with brick and stucco exterior walls. There are two Units located on an upper level primarily above four other Units. These Units are accessed via a separate stairway dedicated to these Units. There is a separate enclosed storage area within the basement of the Building, which is a common element reserved for maintenance purposes of the Association.

(b) The Condominium contains a total of 16 condominium units (referred to as the "Units"), including 15 residential units (the "Residential Units") and one commercial unit (the "Commercial Unit"). The Units have been substantially completed; and certificates of occupancy have been issued by the City as to twelve (12) of the Units.

(c) The Condominium building is located on a parcel of land on Central Avenue near Laguna Boulevard NW, Albuquerque, New Mexico, containing 1.0336 acres (more or less) (the "Land"). The Land will be a common element owned by the Association.

(d) Each Unit is a loft-style unit with ceilings approximately varying from eight to 18 feet in height. Within the Units are trusses and various conduits and ductwork that are stylistically integrated in the Unit. The trusses are common elements designated for the use and enjoyment of the Unit containing them; ordinary maintenance of and insurance on these elements will be handled by the Association. The ductwork and conduits are associated with the mechanical and electrical systems of the Unit.

(e) The Building contains two exterior walkways providing access to the Building, with two entrances serving the residential Units and a separate walkway entrance in front serving the Commercial Unit(s). Each Unit has separate heating, ventilation and air conditioning (HVAC) systems, which are installed on and within the roof structure over the corresponding Unit. These HVAC systems, including the associated ductwork, will be owned by the Unit Owner, except for the systems serving Units D-109 and D-110 (which are mounted above Units D-201 and D-202 and which are Limited Common Elements), and will be maintained by the Association. Replacement of systems or system components due to normal age and wear will be undertaken by the Association but will be at the expense of the Unit Owner.

(f) Declarant has installed landscaping within certain portions of the common areas of the Condominium and has constructed a paved access road and pedestrian walkways for the purpose of serving the Units and gaining access (through a security gate) to parking area from public rights of way.

(g) On the Land, next to the Building, is located a surface parking area with 21 parking spaces. See Section 10 below.

(h) Each unit will be entitled to a number of votes in the Association equal to the number of square feet assigned to such unit (which may be expressed as a percentage computed to two decimal places), and the common expenses incurred by the Association will be allocated among the Units in proportion to such square footage.

(i) The estimated "Condominium Square Footage" for each unit set forth in Exhibit H are the interior floor areas of each unit, measured to the interior surfaces of the walls of the Units. A final appraisal of your unit may disclose a Condominium Square Footage that is more than or less than that amount set forth on Exhibit H (although the square footages in Exhibit H will not be adjusted due to any such appraisal).

(j) The percentage interest in the common elements of the Condominium allocated to each Unit is also set forth in Exhibit H and is based on the square footage of each Unit.

(k) Declarant may designate one or more Units from time to time as model units. Declarant may also display some finishes for the Common Elements or Limited Common Elements.

(l) Units have material differences in floor plans, internal dimensions, view and location. Interior finish work such as door hardware, floor, tile and other wall, and window coverings, cabinets, appliances, and electrical and plumbing fixtures may also vary from unit to unit. Any displays in the sales office are not to scale, lighting is different, and floor plans, if any, are not representative of the Unit floor plans. Any model units used by Declarant in the future may be partially furnished, decorated, and painted different colors than the other units. However, furnishings and interior decorations are not included in the sale of any unit. Each purchaser should carefully inspect the unit being purchased, and compare it to the model unit (if any) and any other unit examined by the purchaser.

(m) Three (3) of the 15 Residential Units and the Commercial Unit have been constructed by the Developer to be delivered in “shell” condition (without internal fixtures or finish work). These Units (sometimes referred to as the “Shell Units”) comprise approximately 53.1% of the floor space in the Building. The Shell Units are under contract to be sold, and the purchaser is completing all of the finish work on those Units.

(n) The Developer has created a program to help certain types of qualifying home buyers buy Units in the Condominium. The Developer also is providing funds for and administering this program. Under the Program, subordinate lien mortgage loans (“soft second loans”) are made to qualifying buyers to help make down payments and pay certain closing costs. Under its Development Agreement with the City, the Developer has agreed that nine (9) of the Units will be sold to families at 80% of area median income or less, adjusted for family size. In addition to the limitation of 80% of area median income, qualified buyers under the program must (1) be first time home buyers (as defined by the U.S. Department of HUD) (2) not have liquid assets in excess of \$15,000 and (3) be owner-occupants of their Units, under guidelines established for the program.

The Bell Trading Post building was built in 1946. It was acquired by the City of Albuquerque in 1993, along with a neighboring single family homes site, for the purpose of neighborhood redevelopment and to provide affordable housing. Before that, the building was vacant for some years and was used in the past for jewelry-making and retail purposes. The building site also contained environmental contamination in the form of a small area of soil contamination, asbestos and lead-based paint, the latter two of which are common in buildings of similar age. The contamination has undergone remediation in accordance with EPA and State of New Mexico regulations, and the results have been accepted by the New Mexico Environment Department. (See Section 12 below) Finally, the Bell Trading Post building has been deemed eligible for inclusion in the National Historic Register, as an example of Pueblo Revival architecture along Central Avenue, although the Developer does not intend to apply for inclusion in the Register.

The Developer began construction of the redevelopment of the Building in April, 2007. Construction of the improvements was substantially complete as of the end of June, 2008.

#### Section 4. Declaration and Other Documents

The Declaration is attached hereto as Exhibit A, including the Condominium Plat. The proposed Articles of Incorporation (the "Articles") of the Association, are attached as Exhibit B, and the proposed Bylaws of the Association (the “Bylaws”) are attached as Exhibit C. Unless this Disclosure Statement is attached as an exhibit to the Purchase Agreement for the Units, a copy of such Purchase Agreement is attached hereto as Exhibit D. The Articles and the Bylaws are in substantially final form. The Articles become effective upon filing with and approval by the New Mexico Public Regulation Commission. The Bylaws become effective when they are formally adopted by the Association.

The Association also has the authority to adopt Rules and Regulations to govern the use and enjoyment of the Units and Common Elements. A preliminary version of Rules and Regulations is attached as Exhibit F to this Disclosure Statement. These have not yet been

adopted but the Board plans to adopt them at a later date, with such additions, deletions or other changes as the Board deems appropriate. The Board also may change the Rules and Regulations, once adopted, from time to time as it may deem appropriate.

#### Section 5. Allocation of Expenses

(a) Utility Metering. The Condominium Units will have electric service, natural gas and water service. Each Unit will be separately metered for gas and electricity. Water service is not centrally metered but will be allocated as a standard charge to each unit and will not be included in the common expenses assessed to the Units. Services to Common Elements, such as hallways, used by all residents will be centrally metered and billed to the Association. Limited Common Elements generally will not be separately metered.

(b) Trash Disposal (Residential). The Condominium will make available a commercial trash dumpster for the disposal of garbage by Unit Owners, which will be located at the south end of the parking area of the Building. The charge for waste collection at the dumpster will be a common expense assessed to the Units. If any liquids or other refuse falls onto the floor or soils the walls or any other portion of the Building while being carried to the trash dumpster, the Unit Owner is responsible for cleaning such liquid or soiled area.

#### (c) Common Expenses (Including Taxes)

Common expenses will include all costs, expenses and liabilities incurred by the Association pursuant to the Declaration and the Bylaws, including all costs of operating, managing, administering, securing, protecting, insuring, heating, cooling, ventilating, lighting, decorating, cleaning, maintaining, repairing and replacing common elements and the personal property of the Association located in or used in connection with the operation or maintenance of the common elements. Common expense items also include reasonable reserves for repair, replacements and certain capital improvements at the Condominium. To the extent that expenses are incurred in connection with a limited common element, such expenses will be allocated to each affected Unit in proportion to the amount that the limited common element serves such Unit as provided by the Declaration or, if not so provided, as determined by the board of directors of the Association (the "Board"). Each Unit will be allocated a charge for its share of the common expenses and additions to reserve accounts, as provided in the Condominium Association Budget, based on its "Allocated Interest", which is proportional to its area of floor space. These allocated charges are also known as "assessments" and are discussed further in Section 6 below.

Each Unit will be separately assessed by the Bernalillo County Assessor, and will be directly billed for property taxes by the Bernalillo County Treasurer's Office. The Association will have no involvement in allocation of Unit property taxes, unless the Bernalillo County Assessor and/or Treasurer fails to separately assess and/or bill the taxes to a Unit or Units. The Common Elements will be separately assessed, and tax bills based on those assessments will be common expenses as described in the preceding paragraph.

(d) Easements. Each Unit Owner, by virtue of his or her ownership of a Unit, has easements for the use and enjoyment of the Unit and the Common Elements, including any Limited Common Elements. These easements relate to such matters as ingress and egress to parking and other Common Elements, support elements and utility, wiring, heat, plumbing, ventilation, air conditioning and service elements. The Association, in turn, has easements through the Condominium to perform its maintenance and management duties and as relates to the construction and sales of Units. Finally, each Unit enjoys easements of encroachment for matters such as movement due to settling, repairs after damage to the Condominium and discrepancies due to such matters as engineering errors, or errors in original construction, reconstruction, repair of any portion of the Building.

#### Section 6. Estimate of Expenses; Assessments.

Attached as Exhibit E is a projected budget for the Association, covering the first year immediately following the filing of the Declaration and the formation of the Association. The budget was prepared by the Developer and also includes the estimated initial annual and monthly assessments for each Unit. The budget includes (i) assumptions concerning occupancy and inflation factors and (ii) the projected amount of a reserve fund for repair or replacement of Common Elements that are maintained by the Association. Assessments on unsold Units will be paid by the Developer.

OWNERS OF UNITS ARE REQUIRED TO PAY ANNUAL ASSESSMENTS (BILLED AND COLLECTED MONTHLY) WHICH ARE CALCULATED BASED UPON THE BUDGET. THE BUDGET FIGURES ARE ESTIMATES AND REPRESENT THE DEVELOPER'S APPROXIMATION OF FUTURE EXPENSES. THE DEVELOPER OR THE BOARD MAY INCREASE THIS BUDGET BASED ON ACTUAL CHARGES AND COSTS, CHANGING MARKET CONDITIONS AND OTHER ELEMENTS. In the event insufficient funds are budgeted for any given fiscal year, the Board of Directors may levy a special or adjusted assessment to make up the budget deficit.

Inasmuch as the Association does not yet have operating history, no balance sheet has been prepared.

#### Section 7. The Condominium Association.

Each Unit Owner is, by virtue of ownership of a Unit, a Member of the Condominium Association. All Unit Owners are required to be members of the Association, or its successor in interest, and cannot resign from that organization. The voting rights of Unit Owners may, however, be suspended for nonpayment of assessments or as otherwise provided in the Declaration and/or Bylaws. Upon sale of a Unit, the Selling Unit Owner's membership interest in the Association automatically transfers to the new Owner.

Votes in the Condominium Association are allocated at the rate of one vote per square foot of floor space allocated to a given Unit to the total of votes. The areas of each Unit, and the corresponding Allocated Interests, are shown on Exhibit H attached to this Disclosure Statement. A quorum at a meeting of Unit Owners consists of the presence at the beginning of

the meeting of persons entitled to vote, either personally or by proxy, the Owners of five (5) Units. Approval of proposals and other matters submitted to a vote requires a simple majority of the votes represented at the meeting, except that termination of the Condominium or any amendment of the Declaration requires the vote of holders of two-thirds (66-2/3%) of all of the Allocated Interests. This means that a Unit Owner may cast all of his or her votes for one or more, but fewer than all, of the candidates.

The Association's Board of Directors will consist of between three and five directors, as may be provided in the Bylaws. Initially, the Association will have three (3) directors. The directors must be Owners of Units; during the initial period of Declarant control, the Board of Directors (and the Association officers) will consist of persons designated by the Declarant. After 50% of the Units have been sold, the Declarant will appoint a majority of the directors. After the period of Declarant control ceases (see next paragraph), the Association will have five (5) directors.

Initially, the Developer will be the Owner of all the Units other than the Shell Units as discussed above. The Developer and the Owner of the Shell Units initially will have complete control of the Association. Voting control by the Developer will continue until the Developer has conveyed seventy-five percent (75%) of the Units to Unit Owners, or two (2) years after any Declarant has ceased to offer Units for sale, whichever first occurs. The Developer intends to sell all of the Residential Units; however, the Developer reserves the right to retain ownership of one or more Units. The Developer also has the option of leasing unsold Units.

Management of Condominium. Neither the Developer nor the Association has yet entered into a management contract regarding "outside" management of the Condominium. The Developer does plan for the Association, acting through the Board, to enter into such a contract in the near future and is currently discussing this matter with potential management companies.

#### Section 8. Reserved Rights of the Developer

The Developer has reserved certain general rights in Section 16.01 of the Declaration, including the right to create a temporary inconvenience or nuisance in connection with the proper operation and maintenance of the Condominium, to use any Units owned by Declarant as model complexes or sales or leasing offices, and to exercise certain "development rights" which are further described in the Declaration and are summarized in Section 19. The rights described above, if exercised, will be exercised in compliance with the New Mexico Condominium Act. In particular, under the Declaration such rights will expire if not exercised by the seventh (7th) anniversary of the original recording of the Declaration in the official records of Bernalillo County, New Mexico.

## Section 9. Insurance

The Association must maintain property insurance on all of the Common Elements and certain of the Limited Common Elements, as those elements are defined and described in the Declaration, in an amount equal to 100% of the replacement cost. This insurance may be required by certain mortgagees to provide for a deductible of the lesser of \$10,000 or 1% of the policy face value. The cost of such insurance will be a common expense, and each Unit will be assessed its pro rata portion of the cost of the insurance on such Unit. A portion of the premiums for such insurance will be allocated to the Units served by particular limited common elements.

The Association must also maintain bodily injury and property damage liability insurance, for the benefit of the Association and Unit Owners, with a combined single occurrence limit of not less than \$1,000,000 per occurrence for liability arising from the use of common and limited common elements and public spaces adjoining the Condominium or such other amount as may be required by statutes, lenders, insurance companies or other affected parties. Such liability insurance is a common expense.

Unit Owners are required to maintain hazard insurance for the full replacement cost of all improvements and betterments inside the Units, and to carry liability insurance with respect to each of the other Units. Payment of premiums for such insurance is the responsibility of the individual Unit Owners.

Section 10. Parking Spaces, Rights and Obligations. Parking is provided for Unit Owners at the Condominium. As shown on the Condominium Plat, there are twenty-one (21) onsite parking spaces. One of these (an uncovered space) is designated as handicap/disabled parking. Of the remaining 20 spaces, 15 are covered spaces and five are uncovered. Each Residential Unit has one covered space. The remaining five uncovered spaces are allocated for use by the Commercial Unit.

## Section 11. Liens and Encumbrances.

During construction, the Building will be subject to a note and mortgage in favor of the Lender on the Building; such note and mortgage may remain in effect after the completion of construction. The Units will be included in the mortgage, but the lien of such mortgage will be released from each Unit as it is sold. Other liens and encumbrances (if any) are listed in Exhibit J to this Disclosure Statement; except as specifically released at the closing of each Unit purchase, each Unit shall be conveyed subject to those liens and encumbrances. Most of these liens and encumbrances relate to general utility and similar easements affecting the Condominium property as a whole and would rarely, if ever, affect the use and enjoyment of a Unit.

The properties constituting the Condominium (including the Units) are located in the City of Albuquerque and Bernalillo County and are subject to taxation at the rates adopted for those areas of the City and County. The Condominium also is within the service area of Albuquerque Technical Vocational Institute (TVI) and within the jurisdiction of the Middle Rio

Grande Conservancy District. At the date of this Disclosure Statement, the maximum permissible annual assessment for the 2007 tax year was 10.946 mils for residential property, and 11.52 mils for non-residential property. (Tax is levied on the taxable value of the Unit, which is one-third of the assessed value).

Finally, the Units are subject to a lien, imposed by the Condominium Act, for any unpaid assessments by Association. See Section 6.

#### Section 12. Environmental Matters

Minor environmental issues at the Bell Trading Post Building had been identified by the City of Albuquerque at the time it purchased the site. These issues consisted of building materials containing asbestos and lead-based paint (LBP), which are common to many if not most building of this age, pigeon droppings and a small amount of lead-containing soil from the crawl space beneath the building. Working with the City, the Developer retained several firms which together undertook a remediation and removal program approved by the New Mexico Environment Department and the Environmental Protection Agency Region VI.

The remediation and removal work was successfully completed, according to the report of the environmental consulting firm overseeing the project. Following is an excerpt from that report (which is dated September 28, 2005):

Analytical results for confirmation samples collected after remediation activities indicated no remaining biological hazards associated with pigeon droppings in the Site building. Analytical results for clearance samples indicated no asbestos fibers in the Site building in sufficient quantity to require respiratory protection by occupants. Building materials covered by lead-based paint (LBP) have been removed and disposed of as solid waste or have been scraped and cleaned and will be encapsulated with primer and paint by the Site developer. Encapsulation is an accepted remediation method for the abatement of LBP. Confirmation soil samples collected after soil excavation within the building crawl space indicate that remaining soils do not contain concentrations of lead above the NMED lead residential soil screening levels (SSLs). As an added protection, the building crawl space will be sealed and will only be accessed by construction and maintenance workers. Access by future building occupants will be limited by securing the only access point to the building crawl space with a lock.

The consultant recommended no further remediation activities at the site. The asbestos testing and LBP removal actions were submitted for approval by the NMED. In October, 2005, the Department issued its Certificate (Affidavit) of Completion and its Covenant Not to Sue, signifying its agreement that the removal actions conformed to applicable New Mexico law and Department requirements.

Copies of the reports, plans, agreements and other documents concerning the environmental assessment and remediation at the Building are available for inspection at the office of the Developer.

As referred to above, lead-based paint in the Building has been encapsulated (covered with paint and/or other materials) according to current industry standards. Regulations of the U.S. Department of Housing and Urban Development impose on the Declarant and the

Association certain requirements as to disclosure and maintenance activities regarding lead-based paint (the "HUD Lead-Based Paint Guidelines"). The Unit Owners are required to observe the HUD Lead-Based Paint Guidelines in their ownership and maintenance of the Units, including any alterations made in the Units. In particular, the Declarant, in connection with all sales of Units, and each Unit Owner, in connection with any resales of Units, is required to provide any agents and the prospective purchaser with the prescribed Lead Warning Statement, as well as information, regarding the presence of lead-based paint in the Building, and the remediation that was undertaken by the Declarant, including related records and reports. The Declarant or a selling Unit Owner, as the case may be, shall also afford the purchaser the required review period, provide a copy of the required informational pamphlet *Protect Your Family from Lead in Your Home*, and sign, along with each purchaser, a "Lead Warning Statement" and confirmation that the seller has complied with all notification requirements regarding the lead-based paint hazard, which is contained in Exhibit K to this Disclosure Statement.

### Section 13. Sound and Noise Transmission; Odors and Smells, Etc.

It is not uncommon in close living situations, such as in condominiums, for one to hear noises from other Units or outside noise. Sound tends to carry through pipes, ventilation ducts, wood in walls, doors, flooring and most other materials. Moreover, the perception of noise is highly subjective and variable between individuals. The Commercial Units, although limited to general office use, may at times generate noise. The Condominium is located in an urban area near busy streets and commercial buildings the use of which may be expected to generate noise at any hour of the day or night. In addition, buildings of historic significance, such as the Condominium Building, may have sound propagation characteristics that exceed those of newer buildings. Finally, sound may penetrate Units from the exterior of the Building, including sounds from vehicles, voices, and equipment operations.

The Building was constructed with double layers of construction blocks on many of the exterior walls. The Developer also has used a similar method of construction in the demising and other interior walls, which is designed to produce Sound Transmission Coefficient (STC) ratings in the Building at least equal to the requirements of Section 1207 of the 2003 International Building Code. These construction methods, and other measures taken by the Developer are expected to lessen the amount of actual sound and noise transmission potential problem; however, the Developer makes no guarantees or assurances that its construction methods will lessen, resolve, eliminate or otherwise relieve the potential noise transmission.

All of the downstairs Residential Units other than the Shell Units will have non-accessible crawl spaces under the concrete floors. This feature creates an STC rating that is below the requirement above. The Developer has installed specially padded laminate flooring to address this problem. With that flooring in place, the Units meet the minimum STC requirement. Prospective purchasers are urged to investigate this matter and satisfy themselves as to the sound transmission characteristics. To help assure that all Units continue to meet this requirement, the Declaration prohibits Unit Owners from changing the flooring in their Units without the express written permission of the Board.

It is also not uncommon in close living situations and in urban settings and locations to experience odors and other conditions or substances that may emanate from outside the Purchaser's Unit. Odors and the like are also very subjective, and what may appeal to one person may be offensive to another person. Each Unit Owner, including the Commercial Unit Owners, nearby buildings, persons, automobiles and a variety of issues and occurrences can produce offensive odors. The Developer assumes no responsibility for any such normal odors and any similar conditions that might occur in and around a Purchaser's Unit. The Condominium Documents do prohibit noises and conditions which constitute a nuisance and give the Association the right to take steps to abate or eliminate any such issues.

The Declaration and/or Rules and Regulations contain restrictions regarding pets that a Unit Owner is allowed to keep. These are described further in Section 18.

Smoking is allowed within the Units and in patios, but otherwise is not allowed within the Building or in any Common Elements of the Condominium. If smoking is occurring in a manner or to an extent that the Association finds to be a nuisance, the Association may take steps to abate such smoking, as described above.

#### Section 14. Statutory Protections

The Condominium Act requires you to be advised that you have certain rights:

(a) Within seven days after receipt of this Disclosure Statement, you may, before conveyance of the Residential Unit, cancel the Purchase Agreement. If, on the other hand, you receive this Disclosure Statement more than seven (7) days before you sign the Purchase Agreement, then you cannot cancel the Purchase Agreement by reason of not having received the Disclosure Statement in a timely manner.

If you are eligible and do wish to cancel the Purchase Agreement, you may do so by hand-delivering a cancellation notice or mailing the cancellation notice, postage prepaid, to Family Housing Development Corporation (Attn: Rick Davis, President) at 8220 Louisiana Blvd NE, Suite B, Albuquerque, NM 87113. In the event that you cancel the Purchase Agreement pursuant to this paragraph (which corresponds to Section 47-7D-8 NMSA 1978), all payments made by you under the Purchase Agreement must be refunded promptly.

(b) If the Declarant fails to provide this Disclosure Statement to you before conveying the Residential Unit to you, you may rescind the purchase within six (6) months after the date of your deed by preparing and delivering to the Declarant, at the address indicated in the preceding paragraph, a new deed to the Residential Unit, which deed shall not be subject to any encumbrance that you allowed or caused.

(c) Any deposit that you make in connection with the purchase of the Residential Unit will be held in an escrow account maintained by Stewart Title Insurance Company, 6759 Academy Rd., NE, Albuquerque, New Mexico 87109, Attn: Heather Nelson. If you cancel the Purchase Agreement as provided in paragraph (a) above, the deposit shall be returned to you.

Section 15. Closing; Title. The following items pertain to the closing of your purchase of a Unit in the Condominium and your title to the Unit:

(a) Title Insurance. At closing we will provide a standard owner's title insurance policy insuring the title to your Unit in the amount of the purchase price. If you desire any additional title insurance or a condominium endorsement, you will be required to pay the additional premiums and other costs associated with such an endorsement. The title company closing agent's fee will be paid by the seller (Developer). Any costs associated with financing will be paid by you.

(b) Payment of Assessments. At closing, on behalf of the Association, we will collect from you an amount equal to 1/12 of your estimated annual assessment which will be a credit against your assessment obligations.

(c) Other Fees and Charges at Closing. In addition to the payments described above, the other fees and charges at closing will be allocated generally as is customary in the Albuquerque area. These are itemized in the form of Unit Purchase Agreement available from the Developer or one of its Realtors.

You, the Purchaser, are also responsible for your own separate utility charges, mortgage payments and taxes.

(d) Title. Title to the Units will be subject to the following:

(i) Real estate taxes for the year in which the closing occurs (prorated to the closing date) and subsequent years;

(ii) Prorated installments of any special taxes or assessments of record for public improvements, if any, and for garbage disposal and sewer maintenance for the year in which the closing occurs and subsequent years, if any;

(iii) Patent reservations and other reservations, easements and other encumbrances described in Section 11 of this Disclosure Statement and in Exhibit J;

(iv) The Declaration, any Amendment, the Articles of Incorporation of the Association, Bylaws, and rules and regulations, as amended and adopted from time to time; and

(v) Standard exclusions from coverage appearing on the title insurance policy.

Section 16. Warranties. The Developer is not offering you any warranty on the improvements, however, we will deliver to you a limited unit warranty issued by our builder, Enterprise Builders, Inc., which provides that for a period of 1 year, subject to the conditions and limitations set forth in the limited unit warranty (Limited Unit Warranty), that the Unit will be free from defects in materials and workmanship, which warranty shall be in lieu of all other warranties, express or implied. We expressly disclaim any and all implied warranties related to

the Unit and the Common Elements appurtenant thereto, including, without limitation, implied warranties of merchantability, habitability, fitness, skill or workmanship, whether such warranties arise from custom, usage, course of trade, statutory law, case law or otherwise, and in place of such warranties is the limited warranty described in this paragraph, provided by Enterprise Builders, Inc., the builder. Enterprise Builders, Inc. has reserved the right to amend the Limited Unit Warranty form at any time, without notice, before Closing.

In the redevelopment work, a new roof has been constructed on the Building. This roof will have a 10 year warranty.

Section 17. Judgments, Pending Suits and Restraints on Alienation. There are no pending suits material to the Condominium or any unsatisfied judgments. Neither the Association nor the Developer has reserved any right of first refusal or other restraint on transferability of any of the Units.

Section 18. Restrictions on Use of Units. In order to maintain Bell Trading Post Lofts Condominium at the highest possible quality and to enhance and protect its value, desirability and attractiveness, the Declaration and Bylaws, and the proposed Rules and Regulations contain certain restrictions on the use of the Property and Units. These restrictions and limitations pertain to a number of areas, including the following:

(a) structural and other changes of Units or Common Elements (including changes affecting Limited Common Elements, such as landscaping) by Owner;

(b) uses of and activities within the Units, including the keeping of pets: orderly dogs, cats or other common household pets, not to exceed a total of 2 per Unit, are allowed so long as they are maintained and handled so as not to constitute a nuisance;

(c) smoking restrictions, which are summarized in Section 13 above; and

(d) installation of antennas and satellite dishes.

Prospective purchasers may wish to review these restrictions to be assured of the continued quality of the Condominium.

Access to the parking gate and the Building door is by key cards issued to the Unit Owners.

Section 19. Maintenance of Project; Reserves. Developer has compiled and prepared information regarding the projected useful life of the various components, structures and systems comprising Common Elements in the Project, including the roof of the Building and the parking lot surface. This information also includes expected or recommended maintenance schedules for some of these items. The estimated useful life of a roof, a gate or a heating/cooling system, for example, are based on industry standards and assume normal wear and tear. Many factors can contribute to cause actual lives of these items to be longer or

shorter than industry standards, including weather, proper use by residents and maintenance by the Association.

The Condominium Documents require regular maintenance of and needed repairs to the Project to be performed by the Association. Initially, the Developer will control the Association and will oversee such maintenance and repairs. After control of the Association passes to the Unit Owners, it will be incumbent upon the Owners to assure themselves that the Association is properly discharging those maintenance and repair obligations.

Based on the information compiled about the various building components and their useful lives, the Developer has projected the estimated amounts needed in the Reserve Fund. This information will be reviewed with the Association, and the Association will consider obtaining a reserve study for the Project and, if obtained such a study updated at reasonable intervals.

When these components and systems wear out, in the normal course or prematurely, they will have to be replaced; this will require the use of the Reserve Fund and may result in increased Assessments by the Association to pay for replacement and/or to replenish the Reserve Fund.

AS A PURCHASER OF A UNIT AT THE BELL TRADING POST LOFTS, YOU ACKNOWLEDGE AND REPRESENT THAT:

(1) YOU HAVE BEEN PROVIDED WITH ALL INFORMATION REQUESTED ABOUT THE USEFUL LIVES OF THE COMPONENTS AND SYSTEMS OF THE PROJECT;

(2) YOU HAVE HAD A REASONABLE OPPORTUNITY TO ASK QUESTIONS AND RECEIVE ANSWERS, REGARDING THAT INFORMATION;

(3) YOU UNDERSTAND THAT NO ASSURANCE CAN BE GIVEN AS TO THE ACTUAL USEFUL LIVES OF THOSE COMPONENTS AND SYSTEMS OR AS TO THE ADEQUACY OF THE RESERVE FUNDS FOR MAINTENANCE AND REPAIRS AND CAPITAL IMPROVEMENT; AND

(4) YOU UNDERSTAND THAT ANY SHORTFALL IN THOSE RESERVE FUNDS MAY RESULT IN INCREASED ASSESSMENTS TO THE OWNERS.

Section 20. Special Declarant Rights. In the Declaration, the Declarant has reserved certain rights with regard to the Condominium; we suggest you review the provisions of the Declaration. For example, the Declarant has reserved the right to assign parking spaces not initially assigned, subdivide or combine unsold Units or convert unsold Units into common elements or vice versa, rent one or more Units which we own and to use any Unit owned by us and appurtenant Limited Common Elements until such time as we convey title to the Unit to a Unit Owner. The Declarant may also place advertising signs in any location and relocate or

remove these signs at its discretion. The Declarant has not reserved the right to construct additional buildings or other improvements within the Condominium.

Section 21. No Needed Improvements By Purchaser. No improvements are required to be made by the Purchaser to use the Unit in the manner represented by the Declarant (other than improvements being completed in the "Shell" Units). No government approvals are necessary for residential use of a Unit by a purchaser; however, the Declarant must obtain a Certificate of Occupancy from the City upon completion of Units.

Section 22. Receipt. We have attached as Exhibit L a receipt for the Disclosure Statement. We have included information required to be given you by our listing broker regarding broker agency relationship issues.

Section 23. Other Representations Not Approved. Any information or data regarding the Condominium not presented in this Disclosure Statement or contained in the exhibits must not be relied upon. No real estate broker, salesperson or any other person has been authorized by me to make any representation not expressly contained herein. This Disclosure Statement may not be expanded, reduced, waived or otherwise modified orally. The Developer reserves the right to change the terms of this Disclosure Statement as they affect potential Purchasers not then under contract, provided, however, that any such change shall not affect the substance of the Disclosure Statement with respect to prior purchasers or purchasers under contract.

You may have other rights, either under the Condominium Act or other law, pertaining to the Purchase Agreement and to disclosure of matters concerning the Residential Unit.

## LIST OF EXHIBITS

- EXHIBIT A -- Condominium Declaration
- EXHIBIT B -- Articles of Incorporation of Association
- EXHIBIT C -- Bylaws of Association
- EXHIBIT D -- Residential Unit Purchase Agreement (omitted if provided separately)
- EXHIBIT E -- Preliminary Operating Budget
- EXHIBIT F -- Rules and Regulations (Preliminary)
- EXHIBIT G -- Parking Layout
- EXHIBIT H -- Allocated Interests, Floor Space and Estimated Dues
- EXHIBIT I -- Description of Property
- EXHIBIT J -- Liens and Encumbrances Affecting the Condominium Property
- EXHIBIT K -- Lead Warning Statement and Seller Confirmation
- EXHIBIT L -- Acknowledgement of Receipt of Disclosure Statement

EXHIBIT A

Bell Trading Post Lofts Condominium Declaration

**EXHIBIT B**

**Articles of Incorporation of the  
Bell Lofts Unit Owners Association, Inc.**

**EXHIBIT C**

**Bylaws of the  
Bell Lofts Unit Owners Association, Inc.**

**EXHIBIT D**

**Residential Unit Purchase Agreement**  
(omitted if provided separately)

EXHIBIT E

BELL LOFTS UNIT OWNERS ASSOCIATION  
**Preliminary Operating Budget**

<u>Revenue</u>	<u>Monthly</u>	<u>Annually</u>
Assessments	\$ 2,260	\$ 27,120
Less Repair and Replacement Reserves	<u>-630</u>	<u>-7,560</u>
<b><u>Net Revenue</u></b>	<b>\$ 1,630</b>	<b>\$ 19,560</b>
 <b><u>Expenses</u></b>		
Insurance/GL & D & O	350	4,200
Legal/Collections/Small	25	300
Accounting Fees	50	600
Management Fee, Expense	535	6,420
Landscape Maintenance	375	4,500
Administration	60	720
Maintenance	85	1,020
Prop. Tax, Common Areas	<u>150</u>	<u>1,800</u>
<b>TOTAL</b>	<b>\$ 1,630</b>	<b>\$ 19,560</b>

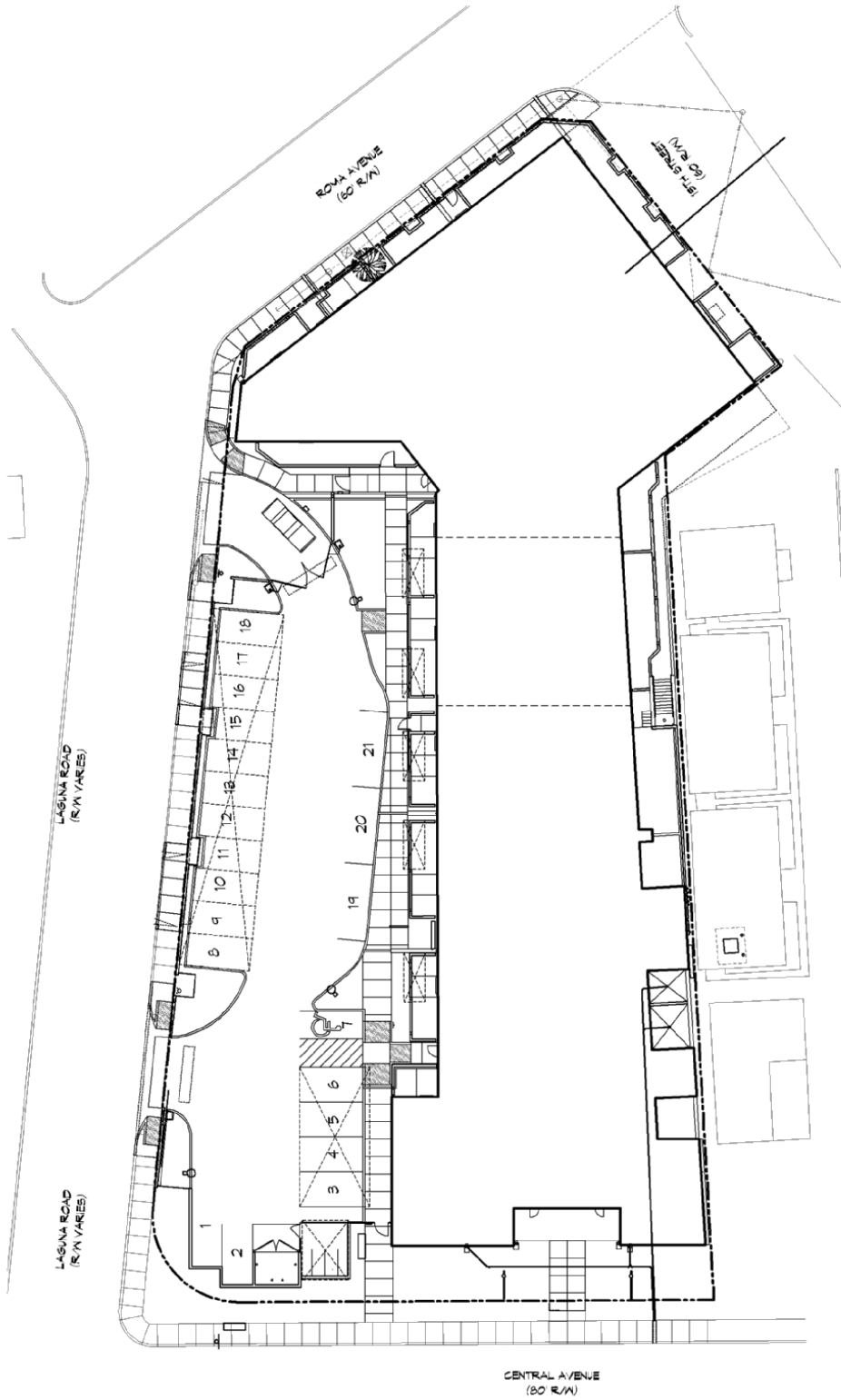
**Repair and Replacement Reserves**

<u>Item</u>	<u>Cost</u>	<u>Frequency</u>	<u>Future Cost</u> (Assumes 2.0%/yr.)	<u>Annual Reserve</u>
Roofing	\$52,000	20 years	78,000	\$2,850
Paving	20,000	30 years	\$20,000	\$1,100
All Other	43,200	2-30 years	N/A	\$3,610
	<u>\$115,200</u>			<b>TOTAL \$ <u>7,560</u></b>

EXHIBIT F

Rules and Regulations (Preliminary) of  
Bell Trading Post Lofts Condominium

# EXHIBIT G Parking Layout



**EXHIBIT H**  
**Allocated Interests, Floor Space and Estimated Dues**

<u>Unit Number</u>	<u>Floor Space (sq. ft.)</u>	<u>Allocated Interest (%)</u>		<u>Annual Association Dues (est.)</u>	<u>Monthly Dues</u>
102	719	3.77	%	\$ 1,022.42	\$ 85.20
103	721	3.78		1,025.14	85.43
104	622	3.26		884.11	73.68
105	668	3.50		949.20	79.10
106	736	3.86		1,046.83	87.24
107	641	3.36		911.23	75.94
108	874	4.58		1,242.10	103.51
109	612	3.21		870.55	72.54
110	648	3.40		922.08	76.84
111	814	4.27		1,158.02	96.50
201	749	3.93		1,065.82	88.82
202	1,009	5.29		1,434.65	119.55
112	3,583	18.78		5,093.14	424.43
113	1,486	7.79		2,112.65	176.05
114	1,788	9.37		2,541.14	211.76
(Commercial) 101	3,405	17.85		4,840.92	403.41
	<u>21,313</u>	<u>100.00</u>	%	<u>\$ 27,120.00</u>	<u>\$ 2,260.00</u>

**NOTE:** "Floor Space" includes the heated area within the Unit boundaries of each Unit.

EXHIBIT I  
DESCRIPTION OF PROPERTY

TRACT A-1, BELL TRADING POST, as the same is shown and designated on said plat filed for record in the office of the County Clerk of Bernalillo County, New Mexico on June 28, 2007 in Book 2007C, Page 17 and containing 1.0336 acres more or less.

**EXHIBIT J**  
**Liens and Encumbrances Affecting the Condominium Property**

	Description of Easement / Encumbrance	Recording Information	
		Date	Book – Page*
1	Limited Service Easement	February 8, 1980	C16-69
2	Ten foot Public Utility Easement (PUE)	October 13, 1905	05C-339
3	Twenty foot Public Waterline Easement	October 13, 1905	05C-339
4	7' x 12' Public Access Easement	October 13, 1905	05C-339
5	Public Utility Easement	October 13, 1905	05C-339
6	Five foot PUE	June 28, 2007	2007C-171
7	Ten foot PUE	June 28, 2007	2007C-171

\* Real Estate Records of Bernalillo County, New Mexico

**EXHIBIT K**  
**Lead Warning Statement and Seller Confirmation**

**Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards**

**Lead Warning Statement**

*Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.*

**Seller's Disclosure**

(a) Presence of lead-based paint and/or lead-based paint hazards (check (i) or (ii) below):

(i) \_\_\_\_\_ Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).  
\_\_\_\_\_

(ii) \_\_\_\_\_ Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

(b) Records and reports available to the seller (check (i) or (ii) below):

(i) \_\_\_\_\_ Seller has provided the purchaser with all available records and reports pertaining to lead based paint and/or lead-based paint hazards in the housing (list documents below).  
\_\_\_\_\_

(ii) \_\_\_\_\_ Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

**Purchaser's Acknowledgment (initial)**

(c) \_\_\_\_\_ Purchaser has received copies of all information listed above.

(d) \_\_\_\_\_ Purchaser has received the pamphlet *Protect Your Family from Lead in Your Home*.

(e) Purchaser has (check (i) or (ii) below):

(i) \_\_\_\_\_ received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or

(ii) \_\_\_\_\_ waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

**Agent's Acknowledgment (initial)**

(f) \_\_\_\_\_ Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852(d) and is aware of his/her responsibility to ensure compliance.

**Certification of Accuracy**

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

\_\_\_\_\_  
Seller Date Seller Date

\_\_\_\_\_  
Purchaser Date Purchaser Date

\_\_\_\_\_  
Agent Date Agent Date

**EXHIBIT L  
ACKNOWLEDGEMENT OF RECEIPT  
OF DISCLOSURE STATEMENT  
BELL TRADING POST LOFTS CONDOMINIUM**

**Buyer:** \_\_\_\_\_

**Unit No:** \_\_\_\_\_

Buyer acknowledges receipt, and the Listing Broker or Selling Agent certifies delivery, of the following:

Buyer's Initials	Description of Document	Date of Document
	1 Disclosure Statement	September 16, 2008
	2 Declaration of Condominium and Covenants, Conditions and Restrictions	September 16, 2008
	3 Condominium Plat (Exhibit B to Declaration)	September 16, 2008
	4 Articles of Incorporation of Association	(Form, subject to filing)
	5 Bylaws of Association	(Form, subject to approval)
	6 Initial Operating Budget (preliminary)	September 16, 2008
	7 Rules and Regulations (preliminary)	(Form, subject to approval)
	8 Lead-Based Paint Disclosure	(Form only)

Buyer and Listing Broker/Selling Agent (the "Agent") further acknowledge that: the Agent neither has authority to make, nor has made, any representation or promise on behalf of the Seller; and Seller is only liable for representations and promises contained either in the Disclosure Statement (excluding any attachments not signed by Seller) or other written document signed by the Seller.

\_\_\_\_\_  
**BUYER**

Date: \_\_\_\_\_, 20\_\_

\_\_\_\_\_  
**BUYER**

Date: \_\_\_\_\_, 20\_\_

**LISTING BROKER/SELLING AGENT:**

\_\_\_\_\_

By \_\_\_\_\_  
Signature

Date: \_\_\_\_\_, 20\_\_

**NOTICE:** Upon delivery of the Disclosure Statement to the Buyer, Listing Broker must ensure this Acknowledgment is: (i) fully completed; (ii) signed by the Buyer and Selling Agent; and (iii) returned to the Listing Broker. Unit Purchase Agreements will not be accepted by Seller unless accompanied by this Acknowledgment.