

**DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
4475 CONDOMINIUMS**

This Declaration of Covenants, Conditions and Restrictions for 4475 Condominiums (the "Declaration") is made as of February 9, 2005, by SBS Holdings, LLC, a Colorado corporation ("Declarant").

RECITALS

A. Declarant is the owner of certain real property located in the County of Adams, State of Colorado, more particularly described as Lot 4, SBS Minor Subdivision, City of Arvada, Adams County, Colorado, as amended by Affidavit of Plat Correction recorded on August 20, 2004 at Reception Number 20040820000798160 (the "Property").

B. The purpose of this Declaration is to create a condominium association and to establish certain mutually beneficial easements, covenants, restrictions and equitable servitudes for the cooperative development, improvement, use, operation, maintenance, repair and enjoyment of such planned community under a general plan for the purpose of enhancing and perfecting the value, desirability and attractiveness of such condominiums.

C. The Declaration of Covenants, Conditions, and Restrictions for SBS Minor Subdivision recorded in the office of Clerk and Recorder of the County of Adams, State of Colorado, Reception No. 20041119001177100 (the "POA Declaration") was filed November 19, 2004 to, among other things, govern common elements of the 58th & Tennyson Property Owners Association.

D. The 4475 Condominium Owners Association, Inc. is responsible for paying Assessments (as defined below) to the 58th & Tennyson Property Owners Association, Inc. (the "POA") for the maintenance of Common Elements (as defined below) to the extent set forth in the POA Declaration.

E. To the extent of any conflict between this Declaration and the POA Declaration the POA Declaration will govern.

ARTICLE 1. DECLARATION AND SUBMISSION

Section 1.1 Declaration. This Condominium Declaration is made by the Declarant pursuant to Colorado law as it exists on the date of the execution and recording hereof. Any subsequent amendments to the applicable law, to the extent they are required to apply to existing Declarations, shall be deemed applicable hereto. The Project is located entirely within Adams County, Colorado.

Section 1.2 Submission. Declarant, for itself, its successors and assigns, hereby submits the Property to condominium ownership pursuant to generally applicable laws of the State of Colorado.

ARTICLE 2. DEFINITIONS

The following words when used in this Declaration or any Supplemental Declaration, the Articles of Incorporation or any Amendments thereto, and the Bylaws or any Amendments thereto, shall have the following meaning:

Assessment(s): Shall include the following items levied against a particular Owner or Condo: (i) the Owner's allocated interest in the Common Expenses; (ii) late charges, attorneys' fees, fines and interest charged by the Association at the rate as determined by the Board of Directors, (iii) charges against a particular Owner and Condo for the purpose of reimbursing the Association for expenditures and other costs of the Association in curing any violation of the Documents by the Owner or related users; (iv) charges levied against an Owner due to the Owner's negligence or misconduct ("Extraordinary Assessment"); and (iv) any sums permitted by the Documents to be assessed against a particular Owner or Condo including, but not limited to, any assessments under the POA Declaration.

Association: 4475 Condominium Owners Association, Inc., a Colorado non-profit corporation.

Board of Directors: The Board of Directors of the Association.

Bylaws: The Bylaws adopted by the Association, and any and all Amendments thereto.

Common Elements: Include all real and personal property now or hereafter owned by the Association for the common use and enjoyment of the Owners. The Common Elements include, but are not limited to, the exterior surfaces of the building, the utility room, parking lots, landscaping and sidewalks.

Common Expense: The expenses or financial liabilities incurred by, or on behalf of, the Association, together with any allocations to reserves. Such expenses include, but are not limited to:

- a. expenses of administration, maintenance, construction, improvement, repair, or replacement of the Common Elements;
- b. expenses declared to be Common Expenses by the Documents;
- c. expenses agreed upon as Common Expenses by the Association; and
- d. such reasonable reserves as may be established by the Association, whether held in trust or by the Association, for repair, replacement, or addition to the Common Elements or any other real or personal property acquired or held by the Association.

In addition, any cost and expense imposed on the Association benefiting fewer than all the Condos shall be a Common Expense, but assessed exclusively against those Condos benefited.

Condominium Map: Shall mean the Condominium Map of the Project recorded with the Clerk and Recorder of the County of Adams, State of Colorado, at Reception No. _____ depicting a plan and elevation schedule of all or part of the Property subject to this Declaration and any Supplements and Amendments thereto.

Declaration: This Declaration of Covenants, Conditions and Restrictions for 4475 Condominiums.

Documents: Collective reference to those documents which govern the operation of the Association

and the Property, including: (a) Articles of Incorporation; (b) Bylaws; (c) all recorded plats affecting the Property; (d) the Association Documents (to the extent the provisions therein are applicable to the Property); and (e) this Declaration, as one or more of the same may be amended from time to time.

First Mortgage: Any mortgage, deed of trust, or other security device having priority over all other mortgages, deeds of trust, or other security devices.

Owner: A person, firm, corporation partnership, association, or other legal entity, or any combination thereof owning one or more Condos, as evidenced by the property records in the office of the Clerk and Recorder of the County of Adams, State of Colorado.

Project: The common interest community created by this Declaration and as shown on the Condominium Map consisting of the Property, Condos and the Common Elements.

Property: The real property described as Lot 4, SBS Minor Subdivision, City of Arvada, Adams County, Colorado, as amended by Affidavit of Plat Correction recorded on August 20, 2004 at Reception Number 20040820000798160.

Condo: The boundaries of each unit created by this Declaration are shown on the Condominium Map as designated units A, B, C, D, E and F. Condo means, with respect to enclosed units intended for commercial purposes, one individual airspace which is contained within the perimeter windows, doors, walls, floors and ceilings.

ARTICLE 3. NAME, DIVISION INTO CONDOS

Section 3.1 Name. The name of the Project is 4475 Condominiums.

Section 3.2 Association. Declarant has caused the Association to be incorporated as a non-profit corporation under the laws of the State of Colorado.

Section 3.3 Number of Condos. The Property may be divided into a maximum of six (6) fee simple estates.

Section 3.4 Inseparability of a Condo – Combination of Condos. Each Condo and the undivided interest in the Common Elements appurtenant thereto shall be inseparable and may be conveyed, leased, encumbered, devised or inherited only as a Condo. Each Owner shall have the right to physically combine adjacent Condos and to construct such improvements provided that the same is done in conformity with all local building codes, governmental laws, ordinances, rules and regulations appurtenant thereto, and the cost of any such alteration is borne exclusively by the Owner causing such alteration. If Condos are combined, such Condos may thereafter be separated physically only if restored to their original configuration as shown on the Condominium Map. The physical combination or separation of previously combined Condos shall not alter the legal description of the Condos, which shall retain their status as separate Condos. Upon the combination of one or more Condos by alteration or removal of a common wall, floor or ceiling, the perimeter

boundary of such Condos shall be the centerline of such previously existing wall, floor or ceiling. Upon the physical separation of one or more previously combined Condos by the addition or closure of a common wall, floor or ceiling, the perimeter boundary of such Condos shall be the unfinished wall, floor or ceiling. Notwithstanding anything to the contrary contained herein, no combination of Condos or separation of combined Condos shall be performed unless the plans therefore have been submitted to the Association, which shall have the authority to require reasonable security to ensure completion of such improvements, and such plans have been approved by all governmental authorities having jurisdiction thereof.

No original Condo may be subdivided by any person without the express written consent of the Association and of all mortgagees holding security interests in the Condo. Any Owner undertaking to subdivide an original Condo shall, in addition to all construction costs incident to the subdivision, be required to account for any revised percentage interest in the Common Elements and for the new Condo configurations.

Section 3.5 Separate Assessment and Taxation Notice to Assessor. Declarant shall give written notice to the Assessor of Adams County, Colorado, of the condominium ownership of this Project, so that each Condo and its percentage of undivided interest in the Common Elements shall be deemed a separate parcel and subject to separate assessment and taxation, as provided in C.R.S., 1973, § 38-33-104, as amended.

Section 3.6 Title. A Condo may be held and owned by one or more persons, firms, corporations, partnerships, associations or other legal entity, in any real property tenancy relationship recognized under the laws of the State of Colorado.

ARTICLE 4. PERMITTED AND RESTRICTED USES

Section 4.1 Use Restricted by Zoning Classification. The permitted uses of all Condos contained within the Condominium Map of 4475 Condominiums, as presently existing, or as hereinafter amended, shall be controlled by the zoning classifications adopted by the governmental agency which has control of the subject property, and any applicable amendments or additions thereto; provided, however, that any additional use restrictions set forth under the POA Declaration will apply.

Section 4.2 No Residential Use. No Condo is to be used for residential purposes.

Section 4.3 Changes in Use. Any change in use that may require rezoning must be approved by the Board of Directors prior to an Owner submitting an application for rezoning to the local zoning authority.

Section 4.4 Restriction Against Signs and Billboards. Each Condo may indicate its name and unit on the door to its premises. Any other signage must be approved in writing in advance by the Association.

Section 4.5 Restrictions on Leasing. An Owner shall have the right to lease his Condo in its entirety upon such terms and conditions as the Owner may deem advisable; provided, however, that (i) no leases shall be made for less than a six (6) month period; (ii) all leases shall be in writing and shall provide that the lease is subject to the terms of this Declaration and all other Association Documents, (iii) a Condo may be leased only for the uses provided hereinabove, and (iv) any failure of a lessee to comply with the terms of this Declaration or any other Association Documents shall be a default under the lease enforceable by the Association as a third party beneficiary, whether or not the lease contains such a provision.

Section 4.6 Parking Rights. An Owner shall have the right to first use of at least five (5) parking spaces, at least two (2) of which shall be located immediately in front of his Condo.

ARTICLE 5. THE 4475 CONDOMINIUM OWNERS ASSOCIATION

Section 5.1 General Purposes and Powers. The Association, through the Board of Directors or a managing agent shall perform functions and hold and manage the Property as provided in this Declaration so as to further the interest of Owners of Condos in the Project. The Association shall have all the powers necessary or desirable to effectuate such purposes.

Section 5.2 Membership. The Owner of a Condo shall automatically be a member of the Association. Association membership shall be appurtenant to said Condo, and shall not be transferred, pledged, or alienated, in any way, except upon the transfer of title to said Condo or a portion thereof, and then only to the transferee of title to said Condo or portion thereof. Any attempt to make a prohibited transfer shall be void. Any transfer of title to said Condo shall operate automatically to transfer said membership to the new owner thereof. Membership in the Association shall be limited to Owners of Condos, and each Condo shall be entitled to one vote on matters submitted for a vote, unless a different voting structure for particular matters is set forth in this Declaration.

Section 5.3 Board of Directors. The affairs of the Association shall be managed by a Board of Directors, which may, by resolution, delegate any portion of its authority to an executive committee or to a managing agent for the Association. Initially, there shall be three members of the Board of Directors, all of whom shall be appointed by the Declarant so long as Declarant owns all the Condos. Once Declarant owns only five Condos, then two members of the Board of Directors shall be appointed by the Declarant. The third member of the Board shall be elected by the remaining Condo Owner. Once Declarant owns only four Condos, then the Board of Directors will consist of five members, three of whom shall be appointed by the Declarant. The other two members of the Board shall be elected by the majority vote of the Owners of Condos other than the Declarant. Once Declarant owns only three Condos, then the Board of Directors will consist of seven members, four of whom shall be appointed by the Declarant. The other three members of the Board shall be elected by the majority vote of the Owners of Condos other than the Declarant. Once Declarant owns only two Condos, then the Board of Directors will consist of nine members, five of whom shall be appointed by the Declarant. The other four members of the Board shall be elected by the majority vote of the Owners of Condos other than the Declarant. Once Declarant owns only one Condo, then

the Board of directors will consist of eleven members, six of whom shall be appointed by the Declarant. The other five members of the Board shall be elected by the majority vote of the Owners of Condos other than the Declarant. Once Declarant ceases to be an Owner, there shall be six members of the Board of Directors, each member of the Board of Directors shall be elected by majority vote of the Owners, on the basis of one vote per Condo.

Section 5.4 Bylaws and Articles. The purposes and powers of the Association and the rights and obligations with respect to Owners set forth in this Declaration may and shall be amplified by provisions of the Articles and Bylaws of the Association.

Section 5.5 Election of Officers. The Board of Directors may appoint officers.

Section 5.6 Duties of the Association. The administration and management of the Common Elements shall be vested exclusively in the Association. The Association, subject to any voting requirements specified in this Declaration, or in the Association's Articles of Incorporation or Bylaws, shall have the following duties, rights and powers:

- a. To accept and exercise jurisdiction over all property, real and personal, that may be conveyed to the Association by Owners including, but not by way of limitation, easements for operation and maintenance purposes, and easements for the benefit of Association members. For the purposes of this section, a nonexclusive easement, license, or other contractual right to use in favor of the owners is not to be deemed a lien or encumbrance.
- b. To budget for and collect periodic Assessments from Owners; to collect delinquent Assessments by suit or otherwise; and to collect such other Assessments (including Extraordinary Assessments) as are authorized herein.
- c. Within thirty (30) days after the adoption of any proposed budget, the Association's Board shall mail by ordinary first class mail, or otherwise deliver, a summary of the budget to all Condo Owners. Unless 80% of the Owners reject the budget in writing within thirty (30) days of mailing, it shall be deemed ratified. In the event of a rejection of the budget, the periodic budget last ratified shall remain in force until such time as a subsequent budget is proposed and ratified as provided for herein.
- d. From funds collected, to provide for maintenance, construction, management, insurance, decoration, landscaping and care of Association property and Common Elements, and such other expenses as are enumerated in this Declaration, the Association Bylaws, or authorized by law including, but not limited, to the payment of Assessments to the POA in accordance with the POA Declaration.
- e. To lease, acquire and sell real or personal property in pursuance of its obligations.
- f. To pay all real property taxes and Assessments levied upon any property conveyed,

leased or otherwise in the possession or control of the Association.

- g. To enjoin or seek damages from or assess fines (as an Extraordinary Assessment) against Owners for violation of this Declaration, the Articles of Incorporation of the Association, the Bylaws of the Association, and the Rules promulgated by the Association for Owners, their guests or tenants.
- h. To employ workmen and others; to contract for services to be performed, including those of a manager; to purchase supplies and equipment; to enter into contracts; and generally to have the powers of a commercial property manager in connection with the matters herein set forth.
- i. To protect and defend the Common Elements from loss and damage by suit or otherwise.
- j. To obtain and maintain in force policies of insurance covering the liability of the Association for all activities of the Association and its directors and officers, and such other insurance as it deems advisable.
- k. To employ counsel, attorneys, accountants and auditors in connection with legal or accounting matters of the Association and in connection with any audit of its books and records, which audit shall be available to Owners and holders of deeds of trust for inspection at the Association office, as hereinafter provided.
- l. To carry over funds from year to year in the Association's operating account, if such funds are not necessary for immediate disbursements, with the intent of budgeting for major projects or for payment on long term projects.
- m. To file legal protests, formal or informal, with authorities against the granting by authorities of zoning ordinances or variances concerning any property within a reasonable proximity of the Properties that might affect the value of any Owner's interest in the Common Elements.
- n. To adopt Rules in accordance with the Bylaws for the regulation and operation of the Common Elements including, but not limited to, regulations governing the use, occupancy, conservation, maintenance, and enjoyment of the Common Elements.
- o. To suspend any Owner's right to the use of the Common Elements during any period in which such Owner is delinquent in payment of Assessments.
- p. To exercise any power not specifically enumerated herein, but permitted under applicable law.

ARTICLE 6. COMMON ELEMENTS

Section 6.1 Use of General Common Elements. Each Owner shall be entitled to exclusive ownership and possession of his/her Condo. Each Owner, his/her guests and invitees may, subject to the rules of the Association, use the Common Elements in common with the other Owners in accordance with the purpose for which they were intended, without hindering or encroaching upon the lawful rights of the other Owners.

Section 6.2 Limitations. Except as may be required by law, no Common Elements may be conveyed to any person or entity other than Condo Owners (in undivided fractional interests).

ARTICLE 7. MECHANIC'S LIENS

Section 7.1 No Liability. If any Owner shall cause any material to be furnished to his Condo or any labor to be performed therein or thereon, neither the Association nor the Owner of any other Condo shall under any circumstances be liable for the payment of any expense incurred or for the value of any work done or material furnished. All such work shall be at the expense of the Owner causing it to be done, and such Owner shall be solely responsible to contractors, laborers, materialmen and other persons furnishing labor or materials to his Condo.

Section 7.2 Indemnification. If, because of any act or omission of any Owner, any mechanic's or other lien or order for the payment of money shall be filed against the Common Elements, if any, or the Association (whether or not such lien or order is valid or enforceable as such), the Owner whose act or omission forms the basis for such lien or order shall at his own cost and expense cause the same to be canceled and discharged of records or bonded by a surety company reasonably acceptable to the Association, or to such other Owner or Owners, within twenty (20) days after the date of filing thereof, and further shall indemnify and hold all the other Owners and the Association harmless from and against any and all costs, expenses, claims, losses or damages including, without limitation, reasonable attorneys' fees resulting therefrom.

Section 7.3 Association Action. Labor performed or materials furnished for the Common Elements, if any, if duly authorized by the Association in accordance with this Declaration or its Bylaws, shall be the basis for the filing of a lien pursuant to law against the Common Elements, if any. Any such lien shall be limited to the Common Elements, if any, and no lien may be effected against an individual Condo or Condos.

ARTICLE 8. EASEMENTS

Section 8.1 Maintenance Easement. The Declarant hereby grants a non-exclusive easement to the Association, its Directors, agents, employees, and assigns upon, across, over, in and under each Condo for performing maintenance (including, but not limited to maintenance required under Article 9), repair or replacement, or rebuilding, restoration and reconstruction as provided in these Declarations and a right to make such use of the Property as may be necessary or appropriate to perform the duties and functions which the Association is obligated or permitted

to perform pursuant to this Declaration. Such entry to be made during regular business hours on business days after 24 hours notice to the Owner of the Condo. In emergency situations earlier entry is authorized.

Section 8.2 Utility Easement. The Association may hereby grant easements upon, across, over and under the Common Elements and the utilities and the installation, replacement, repair and maintenance of utilities including, but not limited to, water, sewer, gas, telephones, electricity and telecommunications systems, if any. The easement provided for in this Section 8.2 shall in no way affect, void, extinguish, or modify any other recorded easement(s) on the Property.

Section 8.3 Rights of Declarant Incident to Construction. An easement is hereby retained by and granted to Declarant, its successors and assigns, for access, ingress and egress over, in, upon, under and across the Common Elements that may be reasonably necessary.

Section 8.4 Easements Deemed Created. All conveyances of portions of the Property (including Condos) hereafter made, whether by Declarant or otherwise, shall be construed to grant and reserve the easements contained in this Article 8, even though no specific reference to such easements or to this Article 8 appears in the instrument of such conveyance.

Section 8.5 Recorded Easements. The Property shall be subject to all easements as shown on the Condominium Map or as otherwise set forth in this Article.

Section 8.6 Reservation of Easement, Exceptions and Exclusions. The Association is hereby granted the right to establish from time to time, by declaration or otherwise, utility and other easements, permits or licenses over the Common Elements, if any, for the best interest of all the Owners and the Association. Each Owner is hereby granted a perpetual non-exclusive right of ingress and egress from the Owner's Condo over and across the Common Elements, if any, appurtenant to that Owner's Condo, which right shall be appurtenant to the Owner's Condo, and which right shall be subject to limited and reasonable restriction on the use of Common Elements, if any, set forth in writing by the Association.

Section 8.7 Emergency Access Easement. A general easement is hereby granted to all police, sheriff, fire protection, ambulance and other similar emergency agencies or persons to enter upon the Property in the proper performance of their duties.

ARTICLE 9. MAINTENANCE

Section 9.1 Owners' Responsibility of Maintenance. Each Owner shall maintain and keep in repair the interior of his Condo, including fixtures thereof to the extent current repair shall be necessary in order to avoid damaging other Condo Owners. All fixtures and equipment installed within the Condo commencing at a point where the utilities enter the Condo shall be maintained and kept in repair by the Owner of such Condo. An Owner shall do no act or any work that will impair the structural soundness or integrity of the Common Elements or impair any easement. Each Owner shall be responsible for the maintenance of the interior walls of his Condo, and the surface materials

thereon such as plaster, drywall, paneling, wallpaper, paint, tile and carpeting of the perimeter walls, ceilings and floors within the Condo, including Condo doors, windows and screens.

Section 9.2 Maintenance by the Association - Common Elements. The Association shall be responsible for the maintenance and repair of the Common Elements which shall be at the Common Expense of all Owners. If such maintenance, repairs and replacements are necessitated by the negligence, misuse or neglect of an Owner, his/her guests, tenants, invitees or licensees, such expenses shall be charged to such Owner as an Extraordinary Assessment.

Section 9.2.1 Trash Removal. The Association shall contract for the weekly removal of trash from the Common Elements and all Condos.

Section 9.2.2 Water and Sewer. The Association shall maintain all water and sewer pipes or facilities, which are not owned, controlled or maintained by any governmental or quasi-governmental entity.

Section 9.2.3 Signage and Entry Monuments. The Association shall maintain and paint or stain as needed the marquee sign for the building as necessary.

ARTICLE 10. INSURANCE

Section 10.1 Insurance Policy or Additional Insured. The Board of Directors shall either obtain notification that the Association is an additional insured on the property insurance policies held by individual Owners, or the Board of Directors shall obtain and maintain property insurance. The insurance will cover the full insurable replacement cost, less applicable deductibles, from time to time, of the Common Elements.

The Board of Directors may determine the provisions of any such policy. In the event that an Owner's use of or Improvement to a Condo increases the cost of premiums for insurance, the Association may levy an Extraordinary Assessment against such Owner's Condo to pay such increased cost. No Owner shall obtain insurance that shall impair the Association's ability to insure or realize an insurance policy obtained by the Association. Any diminution in proceeds received by the Association resulting from such other insurance shall be a charge upon such Owner's Condo and an Extraordinary Assessment levied therefor.

Section 10.2 Insurance for the Association. The Association may, if it deems advisable or necessary, obtain and maintain the following insurance:

- a. Insurance coverage upon the Common Elements, as recited above, and all property owned or leased by the Association;
- b. Comprehensive general liability insurance in a minimum amount of \$500,000 per single occurrence and Workmen's Compensation coverage upon employees and other liability insurance insuring the Association, the Board of Directors, managers

and agents in connection with the Common Elements. The Declarant shall be included as an additional insured in its capacity as a Condo Owner on the general liability insurance, and the Condo Owners shall also be additional insureds to the extent of claims and liabilities arising in connection with the ownership, existence, use or management of the Common Elements. The insurance shall cover claims of one or more insured parties against other insured parties.

- c. Such other insurance as the Board of Directors may deem desirable for the benefit of the Owners.

Section 10.3 Insurance Proceeds Subordinate to Mortgage. In the event of substantial damage to, or destruction of the major portion of the Common Elements, and if the Common Elements are not restored, any distribution of insurance proceeds hereunder shall be made, pro rata, to the Owners and their respective Mortgagees, as their interests may appear, and no Owner or other party shall be entitled to priority over the holder of a mortgage on a Condo with respect to any such distribution; provided, however, that nothing in this Section 10.3 shall be construed to deny the Association the right to apply any or such proceeds to repair or replace damaged portions of the Common Elements.

Section 10.4 Association Not Liable for Damage. Notwithstanding the duty of the Association to maintain and repair the Common Elements, the Association shall not be liable for injury or damage caused by any condition of the Common Elements or by the conduct of another Owner or persons or by casualties for which insurance pursuant to this Declaration is not required, or for which insurance is not provided by the Association.

Section 10.5 Appraisals. The Board of Directors is authorized to obtain appraisals periodically for the purpose of establishing replacement cost of the project facilities and the actual cash value of the personal property, and the cost of such appraisals shall be a Common Expense.

Section 10.6 Fidelity Bonds. A blanket fidelity bond or dishonesty insurance coverage may be provided at the option of the Board of Directors for anyone who either handles or is responsible for funds held or administered by the Association, whether or not they receive compensation for their services. The bond or insurance shall name the Association as obligee and shall cover the maximum funds that will be in the custody of the Association at any time while the bond is in force. In no event shall the bond or coverage be for an amount less than the sum of three months' Assessments plus reserve funds. The bond or coverage shall include a provision that calls for ten (10) days' written notice to the Association, each holder of a Security Interest in a Condo, and the insurance trustee, if any, before the bond can be cancelled or substantially modified for any reason. The bond or coverage shall be in an amount equal to the maximum amount of funds in the custody and control of the Association when the bond or insurance is in effect. When either: (a) separate bank accounts for working funds and reserves are maintained and monthly checks are sent directly to the Association; (b) a management company maintains separate records and bank accounts for each Association's reserve account; or (c) two Board of Directors members must sign any check written on the reserve account, then the fidelity bond or coverage may be in an amount equal to three months' Common Expense Assessments on all Condos.

Section 10.7 Condo Owner Policies. An insurance policy issued to the Association does not preclude Condo Owners from obtaining insurance for their own benefit.

Section 10.8 Directors' and Officers' Liability Insurance. The Board of Directors may obtain and maintain directors' and officers' liability insurance, if available, covering all of the Directors and officers of the Association. This insurance shall have limits determined by the Board of Directors.

Section 10.9 Premiums. Insurance premiums for insurance carried or to be carried by the Association shall be a Common Expense.

ARTICLE 11. ASSESSMENTS

Section 11.1 Covenant to Pay Assessments. Each Owner, by acceptance of a deed, agrees to pay the Association Assessments and charges established and collected from time to time as herein provided. Such Assessments, together with interest, the cost of collection and attorney's fees shall be charged to the Condo and shall be a continuing lien upon the Condo against which each Assessment is made in the event of delinquency in payment. Such Assessment, together with interest, costs and reasonable attorney's fees also shall be the obligation of the Owner at the time when the Assessment was made. Assessments against each Condo shall commence as of the date of the transfer of title to such Condo by the Declarant to a purchaser thereof.

Section 11.2 Basis for Assessments. All Assessments shall be allocated to each Condo on the basis of 20% of the total costs of the Association to each Condo; provided, however, that the Board of Directors may, in its discretion, allocate Assessments on any other basis it deems reasonable under the circumstances, whether due to an Extraordinary Assessment or otherwise.

Section 11.3 Lien for Nonpayment of Common Expenses. All sums assessed against a Condo, but unpaid, including interest thereon at ten percent (10%) per annum shall constitute a lien on such Condo superior to all other liens and encumbrances except: tax and special assessment liens in favor of any assessing authority.

To evidence such lien, the Board of Directors or the Association's managing agent may prepare a written notice setting forth the amount of such unpaid indebtedness, the name of the Owner of the Condo and a description of the Condo. Such notice shall be signed by a member of the Board of Directors or by the managing agent or by counsel for the Association and shall be recorded in the Office of the Clerk and Recorder of Adams County, State of Colorado. Such lien shall attach from the date the unpaid Assessment was to be made, and may be enforced by foreclosure on the defaulting Owner's Condo by the Association in like manner as a mortgage on real property and shall encumber all rents and profits issuing from the Condo. In any such foreclosure, the Owner shall be obligated to pay the costs and expenses of such proceedings, the costs and expenses for filing the notice or claim of lien, and the reasonable attorney's and receiver fees of the Association, which shall be recoverable out of the foreclosure proceeds. The Owner shall also be required to pay the Association a reasonable rental for the Condo during the period of redemption, which payment

shall be covered by the lien, and the Association shall be entitled to a receiver to collect the same. The Association shall have the power to bid on the Condo at the foreclosure sale and to acquire and hold, lease, mortgage and convey the same. Suit to recover a money judgment for unpaid Common Expenses shall be maintainable without foreclosing or waiving the lien securing same. Nothing herein shall be deemed to limit or diminish any statutory lien for Assessments, costs, damages or attorneys' fees, to which the Association is otherwise entitled.

Any encumbrancer holding a lien on a Condo may pay any unpaid Assessments payable with respect to such Condo, and upon such payment such encumbrances shall have a lien on such Condo for the amounts paid of the same rank as the lien of his encumbrance.

Section 11.4 Liability for Common Expenses Upon Transfer of Condo. Notwithstanding the personal obligation of each Owner of a Condo to pay all Assessments thereon and notwithstanding the Association's perpetual lien upon a Condo for such Assessments, all successors in interest to the fee simple title of a Condo shall be jointly and severally liable with the prior Owner or Owners thereof for any and all unpaid Assessments, interest, late charges, costs, expenses, and attorneys' fees against such Condo, without prejudice to any such successor's right to recover from any prior Owner any amounts paid thereon by such successor.

Section 11.5 Working Capital Fund. The Association or Declarant shall require the first Owner of each Condo (other than Declarant), to make a non-refundable contribution to the Association in an amount equal to the greater of \$500.00 or three times the monthly installment of the annual common expense assessment against the Condo in effect at the closing thereof. Said contribution shall be collected and transferred to the Association at the time of closing of the sale by Declarant of each Condo and shall be maintained in a segregated account with other such working capital funds for the use and benefit of the Association, including without limitation, the use to meet unforeseen expenditures or to purchase additional equipment. Such contribution to working capital funds shall not relieve an Owner from making regular payments of assessments as the same become due.

ARTICLE 12. DAMAGE OR DESTRUCTION

Section 12.1 Role of the Executive Board. Except as provided in Section 9.2, in the event of damage to or destruction of all or part of any Common Elements improvement, or other property covered by insurance written in the name of the Association under Article 10, the Executive Board shall arrange for and supervise the prompt repair and restoration of the damaged property.

Section 12.2 Disbursement of Funds for Repair and Reconstruction. The insurance proceeds held by the Association constitute a fund for the payment of the costs of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for the costs of repair and reconstruction shall be made from insurance proceeds. If there is a balance remaining after payment of all costs of such repair and construction, such balance shall be divided among the Condos first to the Mortgagees and then to the Owners, as their interests appear.

ARTICLE 13. CONDEMNATION

Section 13.1 Rights of Owners. Whenever all or any part of the Common Elements shall be taken by any authority having power of condemnation or eminent domain or whenever all or any part of the Common Elements is conveyed in lieu of a taking under threat of condemnation by the Executive Board acting as attorney-in-fact for all Owners under instructions from any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice of the taking or conveying. The Association shall act as attorney-in-fact for all Owners in the proceedings incident to the condemnation proceeding, unless otherwise prohibited by law.

ARTICLE 14. ASSOCIATION AS ATTORNEY-IN-FACT

Section 14.1 Powers of Attorney. Each Owner hereby irrevocably appoints the Association as the Owner's true and lawful attorney-in-fact for the purposes of purchasing and maintaining insurance pursuant to Article 10, including the collection and appropriate disposition of the proceeds thereof, the negotiation and settlement of losses and execution of releases of liability, the execution of all documents, and the performance of all other acts necessary to purchase and maintain insurance as well as dealing with any improvements covered by insurance written in the name of the Association pursuant to Article 10 upon their damage or destruction as provided in Article 12, or a complete or partial taking as provided in Article 13, above. Acceptance by a grantee of a deed or other instrument of conveyance or any other instrument conveying any portion of the Property shall constitute appointment of the Association as the grantee's attorney-in-fact, and the Association shall have full authorization, right and power to make, execute and deliver any contract, assignment, deed, waiver or other instrument with respect to the interest of any Owner which may be necessary to exercise the powers granted to the Association as attorney-in-fact.

ARTICLE 15. ARCHITECTURAL REVIEW COMMITTEE

Section 15.1 Creation of Committee. There is hereby created a standing committee of the Association to be known as the Architectural Review Committee, or "ARC," to be composed of not more than three individuals. Until the Declarant has sold five (5) of the Condos within the Property, the Declarant shall have the right to appoint and remove all members of ARC. As long as Declarant owns at least one Condo, Declarant will have the right to appoint two members of ARC. After Declarant has sold all Condos, members of ARC will be appointed by the Board of Directors.

Section 15.2 Purpose. The purpose of ARC is to maintain the superior beauty and quality of the improvements constructed on the property, and the harmony thereof with the surroundings, and to evaluate the use and suitability of the proposed improvements and the effect of the same on any adjacent or neighboring properties.

Section 15.3 Approval of Improvements. The prior written approval of ARC is required for all plans and specifications in connection with: (A) exterior remodeling, rebuilding, refurbishing, or alteration of the building, including, without limitation, the exterior appearance, color or texture; or (b) any improvements or alterations to the interior of the Condo.

Section 15.4 Owner to Submit Plans. Before any construction work begins, the Owner of the Condo shall be responsible for submitting to ARC complete plans, specifications and color/material/texture samples for the scheduled work and the qualifications of the parties to be performing the scheduled work. Until receipt by ARC of all required plans and specifications, or amendments thereto, ARC may postpone review of any plans submitted for approval.

Section 15.5 Action by ARC. ARC's approval or disapproval as required by this Declaration shall be in writing.

Section 15.6 Construction of Improvements after Approval by ARC. Following approval of proposed improvements by ARC, the Owner shall cause the approved improvements to be completed to the Condo in a timely manner. The consent of ARC shall be valid for a period of three (3) months. If substantial construction of any improvement approved by ARC does not commence within three (3) months of the date of the final approval by ARC, said approval is void.

Section 15.7 Guidelines, Standards, and Procedures. The Declarant may prepare the initial design guidelines, which thereafter may be amended in whole or in part by the Board of Directors. Any amendments to the design guidelines shall apply to construction and modifications commenced after the date of such amendment only, and shall not apply to modifications to or construction of structures previously approved once the approved construction or modification has commenced. Design guidelines shall include the procedures and materials to be submitted and additional factors that will be taken into consideration in connection with the approval of any proposed improvement. Design guidelines may specify circumstances under which the strict application of limitations or restriction under this Declaration will be waived or deemed waived in whole or in part, and may waive the requirement or exempt certain improvements from the requirement for approval, if such approval is not reasonably required to carry out the purpose of this Declaration. The design guidelines, as the same shall be amended from time to time, shall not be recorded but shall be considered incorporated herein by references throughout this Declaration and shall be enforceable as though set forth in full.

Section 15.8 Meetings of ARC. ARC shall meet from time to time as necessary to perform its duties hereunder. ARC may, from time to time, by resolution unanimously adopted in writing, designate one of its members to take any action or perform any duties for and on behalf of ARC, except the granting of variances. In the absence of such designation, the vote of any two (2) members of ARC at a regularly called meeting, or the written consent of any two (2) members of ARC taken without a meeting, shall constitute an act of ARC.

Section 15.9 No Waiver of Future Approvals. The approval of ARC to any site plan or other plans or specifications or drawings submitted for any work to be done, proposed, or in connection with any other matters requiring the approval and consent of ARC shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans, and specifications, drawings, or other matter whatever subsequently or additionally submitted for approval or consent.

Section 15.10 Compensation of Members of ARC. The members of ARC shall not be compensated for services performed. ARC shall be entitled to reimbursement for costs of any

services rendered to it, at its request, in the nature of professional services rendered in the inspection of any improvements planned or erected; and, any correction of defects in any improvements erected, to the extent that said construction and correction of construction is required to place the improvements erected pursuant to the approval of ARC in conformance with the plans and specifications submitted and approved by ARC.

The cost of such inspection services shall be determined by ARC and shall be borne by the applicant, Owner, or possessor seeking to obtain ARC approval.

The compensation provisions above set forth will apply only where ARC has determined that it requires the services of an expert to determine whether plans submitted are feasible or to determine compliance with plans and specifications as to structures in progress of construction or completed, where the expertise required is beyond the normal scope of ARC membership. ARC will, by a majority vote thereof, determine its ability, and determine the need for hiring of an expert.

Section 15.11 Inspection of Work. Inspection of work and correction of defects therein shall proceed as follows:

- a. Upon the completion of any improvements for which approved plans are required, the applicant shall give prompt written notice of completion to ARC.
- b. Within five (5) business days after receipt of the notice of completion, ARC or its duly authorized representative may inspect such improvements. If ARC finds noncompliance with the approved plans, it shall notify the applicant in writing of such noncompliance within five (5) business days after inspection of the improvements, specifying the particulars of noncompliance and shall require the Owner to remedy same.
- c. If, upon the expiration of a reasonable period of time, not to exceed thirty (30) days from the date of such notification, the applicant shall have failed to remedy such noncompliance, ARC shall give the applicant a five (5) day final notice of the deficiencies involved and the remedial action required. Unless prompt action is taken to bring the defects into compliance, ARC is authorized to proceed as it deems proper without further notice.
- d. If, for any reason, ARC fails to notify the Owner of any noncompliance within ten (10) business days after receipt of said written notice of completion from the Owner, the improvements shall be deemed to be approved.

Section 15.12 Nonliability of ARC Members. None of ARC, any member thereof or the Board of Directors shall be liable to any Owner or to any other person for any loss, damage, or injury arising out of or in any way connected with, the performance of ARC's duties under this Declaration. By granting its approval of proposed improvement, ARC will not be deemed to have approved or to have made any representation as to the safety, structural soundness, or compliance with local building codes or other governmental laws or regulations concerning the proposed improvements.

Section 15.13 Original Jurisdiction. ARC will have original jurisdiction to commence and maintain suits to require conformance with this Declaration. Proceedings for injunction and damages, or both, may be brought.

Section 15.14 Notice to ARC, Actions to Enforce Covenants. No action to enforce the provisions of this Declaration will be brought by any Owner until and unless the complainant gives written specific notice of the alleged violation to ARC and has made reasonable efforts to furnish a copy to the entity and/or individuals allegedly to be in violation.

Upon receipt of a written specific notice of an alleged violation, ARC or ARC's designee will, within 10 days, review and present to ARC a preliminary report and recommendation, a copy of which will be available for the complainant and the alleged violator. A prompt hearing will be set before ARC giving reasonable notice to the affected parties. If, after ARC has acted, the complainant is not satisfied with the results, the affected parties may proceed with any remedies available. The proceedings of ARC shall be available to all Owners, lessees and possessors of property within the subdivision by notice to the Owners or Association members.

ARTICLE 16. AMENDMENT

Section 16.1 Amendment to this Declaration, in General. So long as the Declarant is an Owner of at least one Condo, this Declaration may only be amended by the vote of a majority of the Condos, plus the written consent of the Declarant; provided, however, that any amendment to Sections 5.3 and 15.1 must be approved by 100% vote of the Condos. Once Declarant is no longer an Owner, this Declaration may be amended by the vote of a simple majority of the Condos.

Section 16.2 Limitation of Challenges. An action to challenge the validity of an amendment adopted by the Association pursuant to this Article must be brought within one year after the amendment is recorded.

Section 16.3 Recordation of Amendments. Each amendment to this Declaration must be recorded in the records of the Adams County Clerk and Recorder, and the amendment is effective only upon its recording therein.

Section 16.4 Execution of Amendments. An amendment to this Declaration that has been adopted in accordance with this Declaration must be prepared, executed, recorded, and certified on behalf of the Association by an officer of the Association designated for that purpose, or, in the absence of such a designation, by the president of the Association or a member of the Board of Directors.

ARTICLE 17. ALTERNATIVE DISPUTE RESOLUTION

Section 17.1 Purpose. The purpose of this Declaration is to establish a harmonious community. Because the prompt, efficient, fair and non-belligerent resolution of any disputes is desirable, any controversy arising out of or relating to this Declaration, or a breach thereof, or any other dispute between (1) the Declarant and (2) the Association or any Owner shall be resolved as set forth in this Article. Those disputes specifically described in Section 17.8, shall not be subject to the alternative

dispute resolution (“ADR”) requirements described in this Article.

Section 17.2 Direct Communication. The parties to the disagreement shall set forth their respective positions in the dispute in correspondence. Each party shall respond within seven (7) days after receipt of a letter from the other until agreement is reached.

Section 17.3 Arbitration. If the dispute cannot be resolved through direct communication, the parties will mutually select an arbitrator. The initiating person shall give written notice of its decision to arbitrate by providing a specific statement setting forth the nature of the dispute, the amount involved and the remedy sought. The initiating person shall be responsible for all filing requirements and the payment of any fees charged by the arbitrator. The written decision of the arbitrator shall be final and binding on both parties.

Section 17.4 Costs of Arbitration. Each party shall bear its own costs of arbitration.

Section 17.5 Binding Nature. The consideration of the parties to be bound by arbitration is not only the waiver of access to determination by a court and/or jury, but also the waiver of any rights to appeal the arbitration finding. A judgment upon an award rendered by the arbitrator may be entered in any court having jurisdiction.

Section 17.6 Location. The arbitration proceeding shall be held in metropolitan area of Denver, Colorado.

Section 17.7 Sole Remedy: Waiver of Judicial Rights. The Declarant, the Association and each Owner of a Condo expressly consent to the procedures established in this Article as their sole and exclusive remedy, and expressly waive any right they may have to seek resolution of any dispute contemplated by this Article in any court of law or equity, and any right to trial by judge or jury. If a dispute involves the Declarant or the Association, no person shall file a memorandum of lis pendens or similar instrument that would encumber or create a lien upon the land owned either by the Declarant or the Association.

Section 17.8 Disputes Regarding Assessment Liens Not Subject to ADR: In the event that an Owner fails to make timely payment of any Assessment levied by the Association, the Association shall have a lien against Owner’s property as provided in Article 11. The Association may take any action provided by law to either foreclose on said lien or collect such unpaid Assessments without following the ADR procedures described herein.

ARTICLE 18. GENERAL

Section 18.1 Notices. Except as otherwise allowed by law or by this Declaration, all notices or demands intended to be served upon an Owner shall be personally delivered or sent by first class mail, postage prepaid, addressed in the name of such Owner in care of the building address of such Owner, or at such other address as an Owner notifies the Association of from time to time. All notices, demands, or other notices intended to be served upon the managing agent or the Board of

Directors of the Association or the Association shall be sent by certified mail, postage prepaid, to the Association's registered agent, who, at the date of recording hereof is: Dale A. Sand, 5380 Tennyson St. Denver, CO 80212 or to such other managing agent and/or registered agent whose names and addresses may be furnished from time to time. All notices, demands, or other notices shall be deemed given upon deposit in the United States mails, as hereinabove specified. Any Owner may obtain from the Association, upon reasonable advance request and payment of the cost of furnishing it, a copy of the list of names and mailing addresses of all of the Owners. Notice from any Owner to all other Owners may be given as set forth herein. Nothing herein shall preclude notice (with mailing cost prepaid) being sent by certified, overnight, or other mailing process providing for a receipt or other evidence of mailing.

Section 18.2 Acceptance of Provisions of all Documents. The conveyance or encumbrance of a Condo shall be deemed to include the acceptance of all of the provisions of this Declaration, the Articles of Incorporation, the Bylaws and Rules and Regulations of the Association, and shall be binding upon each grantee or encumbrancer, its successors and assigns without the necessity of inclusion of such an express provision in the instrument of conveyance or encumbrance.

Section 18.3 Declarant's Rights Assignable. The rights of the Declarant hereunder may be assigned voluntarily or by operation of law.

Section 18.4 Severability. If any of the provisions of this Declaration or any paragraph, sentence, clause, phrase or word, or the application thereof in any circumstance be invalidated, such invalidity shall not affect the validity of the remainder of this Declaration, and the application of any such provision, paragraph, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

Section 18.5 Supplemented by Colorado Law. Applicable Colorado law shall supplement the provisions of this Declaration. In the event of any inconsistency between applicable statutes and this Declaration, this Declaration shall control to the extent allowed by law; otherwise, the statutory provision shall be deemed controlling and incorporated herein.

Section 18.6 Rules of Construction. Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural the singular, and the use of any gender will include all genders.

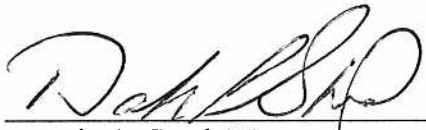
Section 18.7 Conflicts Between Documents. In case of conflict between this Declaration and the Articles and the Bylaws of the Association, this Declaration shall control. In case of conflict between this Declaration and the POA Declaration, the latter controls.

Section 18.8 Governing Law. This Declaration shall be construed in accordance with Colorado law.

Section 18.9 Captions. The captions and headings throughout this Declaration are for convenience and reference only, and the words contained in such captions shall in no way be held or deemed to

define, limit, describe, explain, modify, amplify or add to the interpretation, construction or meaning of any provision of this Declaration.

SBS HOLDINGS, LLC

By 
Dale A. Sand, Manager

CONDOMINIUMS

WEST QUARTER OF SECTION 7 TOWNSHIP 3
OF THE 6TH PRINCIPAL MERIDIAN CITY OF
Y OF ADAMS, STATE OF COLORADO

SHEET 1 OF 1

TE IMPROVEMENTS

OLE

METER/WATER VAULT

RAIN

L COMMON AREA

UNES AND GUY WIRE

ROOF ELEVATION
(REAR) = 63.42'

CEILING ELEVATION
(REAR) = 59.99'

ON = 43.36'

VIEW

I CAP STAMPED "LANE ENG SRV
HOWN THUS: ●

R STAMPED "LS 16837" IS

100-YEAR FLOODPLAIN.

AREA OF THE COMMON

ORNER RAIL BRIDGE
ON = 5234.55'

THEAST CORNER OF

PROPERTY DESCRIPTION

LOT 4, SBS MINOR SUBDIVISION, CITY OF ARVADA, ADAMS COUNTY, COLORADO,
AS AMENDED BY AFFIDAVIT OF PLAT CORRECTION RECORDED ON AUGUST 20, 2004 AT
RECEPTION NUMBER 20040820000798160.

OWNERSHIP CERTIFICATE

SBS HOLDINGS, LLC

(DECLARANT) AS OWNER, HEREBY CERTIFIES THAT THIS CONDOMINIUM MAP 4475
CONDOMINIUMS HAS BEEN PREPARED PURSUANT TO THE PURPOSES STATED IN THE
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF THE 4475 CONDOMINIUMS AS
RECORDED ON March 11, 2005 AT RECEPTION NUMBER 20050311000251290
OF THE RECORDS OF THE OFFICE OF THE CLERK AND RECORDER OF THE COUNTY OF
ADAMS, STATE OF COLORADO, AND SUPPLEMENTS AND AMENDMENTS THERETO.

Dale A. Sand
BY: DALE A. SAND, MANAGER



STATE OF COLORADO }
COUNTY OF JEFFERSON } SS

THE FOREGOING INSTRUMENT TERMED "OWNER CERTIFICATE" WAS ACKNOWLEDGED BEFORE ME
THIS 3rd DAY OF March, 2005 BY DALE A. SAND, AS MANAGER OF
SBS HOLDINGS, LLC

WITNESS MY HAND AND OFFICIAL SEAL

MY COMMISSION EXPIRES: 02/02/08

BY: Jenette Bologna
NOTARY PUBLIC

5350 Tennyson St

SURVEYOR'S CERTIFICATE

I, STEVEN D. LISTER, A REGISTERED LAND SURVEYOR IN THE STATE OF COLORADO, HEREBY
CERTIFY THAT THE SURVEY OF 4475 CONDOMINIUMS WAS MADE UNDER MY SUPERVISION AND
THAT THE ACCOMPANYING PLAN ACCURATELY PORTRAYS SAID SURVEY AND MEETS THE
REQUIREMENTS FOR A LAND SURVEY PLAT AS SET FORTH IN COLORADO REVISED STATUTES
SECTION 38-51-102 AND 38-33.3-209 AND FURTHER THAT THIS CONDOMINIUM MAP
SUBSTANTIALLY DEPICTS THE LOCATION AND THE HORIZONTAL AND VERTICAL MEASUREMENTS AND
DIMENSIONS OF THE BUILDING AND CONDOMINIUM UNITS AND CONTAINS ALL OF THE INFORMATION
REQUIRED BY SECTION 38-33.3-209 FOR A CONDOMINIUM MAP.



Steven D. Lister
STEVEN D. LISTER
REGISTERED LAND SURVEYOR
COLORADO NO. 16837

BASIS OF BEARINGS:

THE BASIS FOR THE BEARING SHOWN ON THE GRAPHIC PORTION OF THIS SURVEY IS THE
ASSUMPTION THAT THE EAST LINE OF SBS MINOR SUBDIVISION AS DEFINED BY THE
MONUMENTS DESCRIBED ON THE GRAPHIC PORTION OF THIS SURVEY BEARS S.00°04'54"W.

CLERK AND RECORDER

ACCEPTED FOR FILING IN THE OFFICE OF THE CLERK AND RECORDER OF ADAMS COUNTY,
COLORADO AT 10:22 O'CLOCK A.M. THIS 11th DAY OF March, 2005, FILED AT
INSTRUMENT NO. 20050311000251290

Coral A. Snyder
CLERK AND RECORDER



Johnny Hildstrang

REVISED: 02/24/05
PREPARED: 02/15/2005
PROJECT: S208-2 LOT 4