

**FIRST SUBSEQUENT AMENDMENT OF DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR STONEGATE VILLAGE OWNERS ASSOCIATION**

This FIRST SUBSEQUENT AMENDMENT OF DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR STONEGATE VILLAGE OWNERS ASSOCIATION (this "**Amendment**") is effective as of July 1, 2015.

Recitals

A. The Declaration of Covenants, Conditions and Restrictions for Stonegate Village Owners Association was recorded on May 13, 1985 in the records of the Clerk and Recorder of Douglas County, Colorado in Book 573 at page 767 et seq. (the "Declaration") The Declaration encumbers the Community (as defined by Exhibit A appended to the Declaration). Capitalized terms not otherwise defined herein will have the meanings given such terms in the Declaration.

B. This Amendment pertains to a portion of the real property described on Exhibit B-1 appended hereto (referred to herein as the "NNP Annexable Property") which is a portion of the property that may be annexed into the Declaration. The NNP Annexable Property includes only subdivided lots for detached and attached single family residential uses and multi-family residential uses but specifically excludes all Tracts (unless intended for multi-family residential use) and common areas, including, but not limited to, a pocket park, paths, and open space (the "Common Areas").

C. In accordance with Article VII, Section 2 of the Declaration, Association may annex the NNP Annexable Property to the provisions of the Declaration and the jurisdiction of the Stonegate Village Owners Association ("Association") by recording a Subsequent Amendment of annexation having the affirmative vote of a majority of the Members present in person or by proxy at a meeting duly called for the purpose of annexing additional property to the provisions of the Declaration and the consent of owner of the Annexable Property.

D. As provided in Article I, Section 25 of the Declaration, this Amendment constitutes a "Subsequent Amendment" to the Declaration and contains certain additional restrictions and amendments to the Declaration that apply solely to the NNP Annexable Property.

E. The NNP Annexable Property is owned by NNP II – STONEGATE, LLC ("Developer").

F. The Association has requested the Developer to annex the NNP Annexable Property to the Declaration and the Developer is willing to do so only in accordance with the provisions of the Amendment, including the procedures for subsequent annexation of portions of the NNP Annexable Property in multiple annexations.

G. Both Parties to this agreement have been represented by counsel and contributed to drafting this Amendment, the Developer has agreed to the terms of this Amendment, and a majority of the Members voting in person and by proxy at a special meeting of the members called for that purpose consented to annex the NNP Annexable Property to the provisions of the Declaration and the jurisdiction of the Association in accordance with the terms set forth below.

Annexation Agreements

The Board of Directors, the Members, and the Developer acknowledge, agree and consent as follows:

1. With respect to the NNP Annexable Property, the Developer and , its successors and assigns (including, but not limited to, homebuilders) shall be entitled to exercise the Development rights defined in Section 103 (14) and Section 103 (29) of the Colorado Common Interest Ownership Act ("CCIOA") and the additional rights set forth in Section 2 below, other than the Excluded Rights, as defined below, (the "Development Rights") until the earlier to occur of (a) such time as Developer, its successors and assigns (including, but not limited to, homebuilders), no longer owns any portion of the NNP Annexable Property, or (b) December 31, 2025 (the "Development Rights Term"). Developer shall have the right to assign all or any of the Development Rights and the annexation rights set forth herein in the same manner as the Declarant had to assign its Declarant rights pursuant to Article XV of the Declaration.

2. The Association acknowledges and agrees that, until such time as a lot that is within in the NNP Annexable Property is annexed to the Declaration as provided in Section 4 below, the Developer shall have the sole right to review and approve Improvements to be constructed on lots located within the NNP Annexable Property and any modifications, alterations and additions to Improvements located on such lots. At such time as a lot within the NNP Annexable Property is annexed to the Association, the New Construction Committee and the Modifications Committee created pursuant to Sections 1 and 2 of Article X of the Declaration will have authority over any Improvements to be constructed, modified, altered or added to Improvements located on such lot, and the standards and procedures adopted from time to time pursuant to the provisions of Article X of the Declaration shall at such time be applicable to such Improvements or any modifications, alterations or additions to Improvements on such lot.

3. For the purposes hereof, "**Excluded Rights**" means: (a) the right to make any portion of the property subject to a Master Association; (b) the right to merge or consolidate the property; (c) the right to appoint or remove any officer, director, or committee member from the Stonegate Village Owners Association; and (d) the right to use the Common Area within the property legally described in Exhibit A to the Declaration for construction and marketing activities other than such construction as may be reasonably required to connect utilities, roadways, sidewalks, paths, green space, and other Improvements within the NNP Annexable Property to existing Improvements constructed upon the property described in Exhibit A to the Declaration, which connections the Developer, its successors and assigns (including, but not limited to, homebuilders), is expressly authorized to construct within the Common Area within the property legally described in Exhibit A to the Declaration and within and upon public roads, utilities, and other public improvements provided that approval of the applicable governmental agency is first obtained prior to construction on such publicly owned improvements. Prior to commencement of any construction authorized pursuant to the preceding sentence, the Developer, its successors and assigns (including, but not limited to, homebuilders), shall require its contractor(s) to name the Association as an additional insured on such contractor(s)' liability insurance policy and to provide a certificate of insurance evidencing such addition to the Association management company.

4. Notwithstanding any other provision of the Declaration, the Association hereby

acknowledges and agrees that Developer, its successors and assigns (including, but not limited to, homebuilders) shall have the right to annex and withdraw any portion or all of the NNP Annexable Property to the Declaration from time to time prior to expiration of the Development Rights Term in one or more phases by either (a) recording a notice of annexation in the real property records of the County of Douglas, State of Colorado, or (b) including a statement of annexation on a deed conveying a lot from the Developer or its successors and assigns (including, but not limited to, homebuilders) to a third party purchaser (including the Association), which notice or statement sets forth the recording information of the Declaration and this Amendment, the legal description of the portion of the NNP Annexable Property being annexed, a statement that the property described therein is being made subject to the Declaration, and the notarized signature of the Developer or its successors and assigns (including, but not limited to, homebuilders) and the owner of the property being annexed if different from the Developer or its successors and assigns (including, but not limited to, homebuilders). Any deed conveying a lot to a third party purchaser that does not expressly include such provisions shall not be deemed to have annexed such lot to the Declaration. Developer or its successors and assigns (including, but not limited to, homebuilders) also may withdraw from the Declaration any portion of the NNP Annexable Property previously annexed to the Declaration that has not been conveyed to an owner other than the annexing party by recording a notice of withdrawal setting forth legal description of the portion of the NNP Annexable Property being withdrawn, a statement that the property described therein is being withdrawn from the Declaration, and that is signed by the Developer or its successors and assigns (including, but not limited to, homebuilders). Developer and its successors and assigns (including, but not limited to, homebuilders) may exercise such annexation and withdrawal rights without the approval of the Stonegate Village Owners Association or the Members of the Association. Each of the Units and lots within the Stonegate community shall continue to have an equal allocation of interests after annexation or withdrawal of any portion of the NNP Annexable Property as described above. Any annexation or withdrawal of Units or lots within the NNP Annexable Property will change the allocation by the same number as the units added or withdrawn. For example, if there are 1,000 units subject to the Declaration, each unit has a 1/1000 allocated interest. If 20 units are annexed to the Declaration, each unit would then have a 1/1020 allocated interest. If 5 units are subsequently withdrawn from the Declaration, each unit would then have a 1/1015 allocated interest.

5. To clarify, this Amendment confirms that a majority of members present in person or by proxy at a meeting duly called for the purpose of the approval of this Amendment, at which a quorum was present in person or by proxy, voted to consent to this Amendment and the subsequent annexation of some or all of the NNP Annexable Property. However, until a subsequent notice of annexation or deed satisfying the requirements of Section 4 of this Amendment is recorded with the Douglas County Clerk and Recorder, the real property described in Exhibit B-1 as the NNP Annexable Property has not been annexed into the Stonegate Village Community. Future annexation must be in accordance with the provisions of Section 4 of this Amendment but does not require any further consents or approvals of the Association or the Members of the Association.

6. The provisions of this Amendment shall be binding upon and inure to the benefit of the Association, the Developer, and their respective successors and assigns.

7. In the event of any conflict between this Amendment and the Declaration, the terms of this Amendment shall prevail.

8. The balance of the Declaration remains effective as written. All capitalized terms used herein that are defined in the Declaration but not in this amendment shall have the same meaning herein as is set forth in the Declaration.

9. The undersigned officer of the Association, on behalf of the Association, hereby certifies that a majority of members present in person or by proxy at a meeting duly called for the purpose of the approval of this Amendment voted to consent to this Amendment.

[signatures on following page]

This First Subsequent Amendment of Declaration of Covenants, Conditions and Restrictions for Stonegate Village Owners Association is made and entered into as of the date set forth above.

Stonegate Village Owners Association
By: [Signature]
Name: David Marshall
Title: President

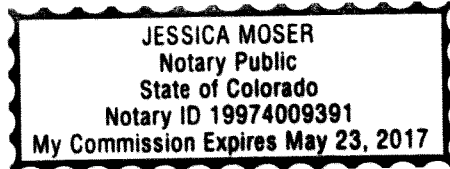
STATE OF COLORADO)
) ss.
COUNTY OF Douglas)

The foregoing instrument was acknowledged before me this 28th day of May 2015, by David Marshall as President of Stonegate Village Owners Association, a Colorado nonprofit corporation.

WITNESS my hand and official seal.

[Signature]
Notary Public

My Commission Expires: 5-23-17
[SEAL]



Agreed on behalf of Developer:

NNP II – STONEGATE, LLC,
a Delaware limited liability company

By: [Signature]
Name: WILLIAM M. OLSON
Title: SUP. DM

STATE OF Arizona)
) ss.
COUNTY OF Maricopa)

The foregoing instrument was acknowledged before me this 20th day of May 2015, by William M. Olson as S. Vice President of NNP II – Stonegate, LLC, a Delaware limited liability company.

WITNESS my hand and official seal.

[Signature]
Notary Public

My Commission Expires: 11-13-2017
[SEAL]



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EXHIBIT B-1

Legal Description of NNP Annexable Property

Lot 1A, Stonegate Filing No. 4, 2nd Amendment, County of Douglas, State of Colorado.

Lot 2A-1, Stonegate Filing No. 4, 3rd Amendment, County of Douglas, State of Colorado.

Lots 3, 4 and 5, Stonegate Filing No. 22, County of Douglas, State of Colorado.

Lot 2B, Stonegate Filing No. 22, 2nd Amendment, County of Douglas, State of Colorado.

THIS DESCRIPTION OF NNP ANNEXABLE PROPERTY SPECIFICALLY EXCLUDES ANY COMMON AREAS TO INCLUDE, BUT NOT BE LIMITED BY POCKET PARKS, PATHS, OPEN SPACE, OR ANY PROPERTY NOT OWNED, MAINTAINED, AND INSURED BY THE DESIGNATED LOT OWNER.

