

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

FOR

STONEGATE VILLAGE OWNERS ASSOCIATION

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DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

FOR

STONEGATE VILLAGE OWNERS ASSOCIATION

This Declaration of Covenants, Conditions, and Restrictions is made this \_\_\_\_\_ day of April, 1985, by Stonegate Developments Inc., a Delaware corporation qualified to do business in Colorado, (hereinafter referred to as "Declarant");

W I T N E S S E T H

WHEREAS, Declarant is the owner of the real property described in Exhibit "A" attached hereto and incorporated herein by reference. Declarant intends by this Declaration to impose upon the property mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of residential property within Stonegate Village, the planned unit development created by the recording of this Declaration and amendments thereto. Declarant desires to provide a flexible and reasonable procedure for the overall development of the property and the interrelationships of the component residential associations, and to establish a method for the administration, maintenance, preservation, use and enjoyment of such property as is now or may hereafter be submitted to this Declaration;

NOW, THEREFORE, Declarant hereby declares that all of the property described in Exhibit "A" and any additional property as may by Subsequent Amendment be added to and subjected to this Declaration shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions which are for the purpose of protecting the value and desirability of and which shall run with the real property submitted to this Declaration and which shall be binding on all parties having any right, title, or interest in the described properties or any part thereof, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I  
Definitions

Section 1. "Area of Common Responsibility" shall mean and refer to the Common Area, together with those areas, if any, which by contract with any residential or condominium association, with any tax or school districts, or with any if any, which by contract with any residential or condominium association, with any tax or school districts, or with any

apartment building owner or cooperative within Stonegate Village, become the responsibility of the Association. In addition, the office of any property manager employed by or contracting with the Association and located on the Properties shall be part of the Area of Common Responsibility.

Section 2. "Association" shall mean and refer to Stonegate Village Owners Association, Inc., a Colorado nonprofit mutual benefit corporation, its successors and assigns. The "Board of Directors" or "Board" shall be the elected body having its normal meaning under Colorado nonprofit corporate law.

Section 3. "Common Area" shall mean all real and personal property now or hereafter owned by the Association, or in which the Association has an interest in the form of a leasehold, easement, remainder, or other form of real property ownership, from time to time, for the common use and enjoyment of the Owners, excluding any Residential Unit acquired by the Association in a foreclosure sale pursuant to the provisions of Section 5 of Article IX of this Declaration.

Section 4. "Common Expenses" shall mean and include the actual and estimated expenses of operating the Association, both for general and parcel purposes, including any reasonable reserve, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration, the By-Laws, and the Articles of Incorporation of the Association.

Section 5. "Community-Wide Standard" shall mean the standard of conduct, maintenance, or other activity generally prevailing in Stonegate Village. Such standard may be more specifically determined by the Board or the New Construction Committee, as applicable.

Section 6. "District" means the Stonegate Village Metropolitan District formed to own and improve real property on designated lands, some of which may be located within the Properties.

Section 7. "Electoral District" shall mean a geographical area comprised of one or more housing types and representing a political unit for the purpose of electing directors. Districts shall not be required to be equal in population. The Declarant may at any time and from time to time until the termination of Class "B" membership as provided in Section 2(b) of Article III of this Declaration establish and alter or re-establish the boundaries of Electoral Districts by the recordation of an exhibit to this Declaration setting forth the metes and bounds or other legal description of the land contained within each Electoral District. After termination of the Class "B" membership, the Board of Directors may prepare and record such exhibit. Such recordation shall not constitute an

amendment to this Declaration and shall not require the formality thereof.

Section 8. "First Mortgage" shall mean any recorded residential Mortgage placed on an individual Residential Unit by an Owner, other than Declarant, with priority over other Mortgages, and shall include a first mortgage as defined in VA Form 26-8201, art. IV, sec. 9.

Section 9. "First Mortgagee" shall include a beneficiary or holder of a First Mortgage, and of a first mortgage as defined in VA Form 26-8201, art. IV, sec. 9.

Section 10. "General Assessments" shall mean regular annual assessments imposed by the Board of Directors in accordance with Article IX, Section 1.

Section 11. "Improvement" shall mean all Residential Units and structures, parking areas, loading areas, fences, walls, hedges, plantings, poles, driveways, ponds, recreational facilities, signs, changes in exterior color or shape, all construction, including, without limitation, staking, clearing, excavation, grading, road construction, utility improvement and other site work, removal of plants, trees and shrubs, plantings, and any exterior improvement or construction which may not be included in the foregoing. "Improvement" shall include both original improvements and all later changes and improvements.

Section 12. "Member" shall mean and refer to a person or entity entitled to membership in the Association, as provided herein.

Section 13. "Mortgage" shall include a deed of trust, as well as a mortgage.

Section 14. "Mortgagee" shall include a beneficiary or holder of a deed of trust, as well as a mortgagee.

Section 15. "Mortgagor" shall include the trustor of a deed of trust, as well as a mortgagor.

Section 16. "Owner" shall mean and refer to one or more persons or entities who hold the record title to any Residential Unit which is part of the Properties, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Residential Unit is sold under a recorded contract of sale, the purchaser (rather than the fee owner) will be considered the Owner.

Section 17. "Parcel" shall mean and refer to separately designated, developed residential areas comprised of various types of housing initially or by amendment made subject to this Declaration; for example, and by way of illustration and

not limitation, condominiums, fee simple townhomes, single family detached houses. In the absence of specific designation of separate Parcel status, all property made subject to this Declaration shall be considered a part of the same Parcel. Provided, however, the Declarant may designate in any Subsequent Amendment adding property to the terms and conditions of this Declaration that such property shall constitute a separate Parcel or Parcels; and provided further by a two-thirds (2/3) vote, the Board of Directors may also designate Parcel status to any area so requesting.

Section 18. "Parcel Assessments" shall mean assessments for common expenses provided for herein or by any Subsequent Amendment which shall be used for the purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and occupants of the Residential Units against which the specific Parcel Assessment is levied and of maintaining the property within a given Parcel, all as may be specifically authorized from time to time by the Board of Directors and as more particularly authorized below.

The Parcel Assessment shall be levied equally against Owners of Residential Units in a Parcel for such purposes that are authorized by this Declaration or by the Board of Directors from time to time, provided that in the event of assessments for exterior maintenance of dwellings, or insurance on dwellings, or replacement reserves which pertain to particular dwellings (pursuant to an amendment to this Declaration), such assessments (that are for the use and benefit of particular lots/units) shall be levied upon a pro rata basis among benefited owners.

Section 19. "Person" means a natural person, a corporation, a partnership, trustee, or other legal entity.

Section 20. "Properties" shall mean and refer to the real property described in Exhibit "A" attached hereto and shall further refer to such additional property as may hereafter be annexed by Subsequent Amendment to this Declaration or which is owned by the Association.

Section 21. "Residential Unit" shall mean a portion of the Properties intended for any type of independent ownership for use and occupancy as a residence by a single family and shall, unless otherwise specified, include within its meaning (in way of illustration, but not limitation) condominium units, apartment units, patio or zero lot line homes, and single family houses on separately platted lots, as may be developed, used and defined as herein provided or as provided in Subsequent Amendments covering all or a part of the Properties; provided, further, the term shall include all portions of the lot owned as a part of any structure thereon; provided, further, each apartment unit within an apartment building shall be a Residential Unit, but the



apartment building itself shall not constitute nor be construed to be a Residential Unit.

For the purposes of this Declaration, a Residential Unit shall come into existence when substantially complete or upon the issuance of a certificate of occupancy by the appropriate agency of Douglas County or other local governmental entity, whichever comes first. The term "Residential Unit" shall not include any commercial space, or property owned by a political subdivision of the State of Colorado, which might be subject to all or part of this Declaration.

Section 22. "Single Family" shall mean one (1) family unit related by blood, adoption, or marriage.

Section 23. "Special Assessments" shall mean those assessments levied under unusual circumstances and in accordance with Article IX, Section 3.

Section 24. "Subassociation" means any Colorado profit or nonprofit corporation, or unincorporated association, and its successors and assigns, organized and established or authorized pursuant to, or in connection with, one or more supplemental declarations of covenants, conditions and restrictions which is recorded against the Properties or any portion of the property described in Exhibit B attached hereto that is annexed into the Properties, and of which the membership is comprised of Owners of Residential Units within all or part of the property burdened by the supplemental declaration.

Section 25. "Subsequent Amendment" shall mean an amendment to this Declaration which adds additional property to that covered by this Declaration. Such subsequent Amendment may, but is not required to, impose, expressly or by reference, additional restrictions and obligations on the land submitted by that Amendment to the provisions of this Declaration.

## ARTICLE II Property Rights

Every Owner shall have a right and easement of enjoyment in and to the Common Area subject to any restrictions or limitations contained in any Deed or amendment to this Declaration conveying to the Association or subjecting to this Declaration such property. Any Owner may delegate his or her right of enjoyment to the members of his or her family, tenants, and social invitees subject to reasonable regulation by the Board and in accordance with procedures it may adopt.

ARTICLE III  
Membership and Voting Rights

Section 1. Membership. Every Owner as defined in Section 16 of Article I shall be deemed to have a membership in the Association. No Owner, whether one or more persons, shall have more than one (1) membership per Residential Unit owned. In the event the Owner of a Residential Unit is more than one person or entity, votes and rights of use and enjoyment shall be as provided herein. The rights and privileges or membership, including the right to vote, may be exercised by a member or the member's spouse, but in no event shall more than one (1) vote for each class of membership applicable to a particular Residential Unit be cast for each Residential Unit.

Section 2. Voting. The Association shall have two (2) classes of membership, Class "A" and Class "B", as follows:

(a) Class "A". Class "A" members shall be all Owners with the exception of the Class "B" members, if any.

Class "A" Members shall be entitled on all issues to one (1) vote for each Residential Unit in which they hold the interest required for membership by Section 1 hereof; there shall be only one (1) vote per Residential Unit; provided, however, votes for Residential Units within an apartment building or which constitute apartments shall be cast as follows: on economic issues and assessments, one vote per Residential Unit shall be cast by the Owner; on Board elections and issues concerning the use and enjoyment of the Common Area, one vote per Residential Unit shall be cast by the tenants residing in the Residential Units. When more than one person or entity holds such interest in any Residential Unit, the vote for such Residential Unit shall be exercised as those persons or entities themselves determine and advise the Secretary of the Association prior to any meeting. In the absence of such advice, the Residential Unit's vote shall be suspended in the event more than one person or entity seeks to exercise it.

Any Owner of Residential Units which are leased may, in the lease or other written instrument, assign the voting right appurtenant to that Residential Unit to the lessee, provided that a copy of such instrument is furnished to the Secretary prior to any meeting.

(b) Class "B". Class "B" members shall be the Declarant and any successor of Declarant who takes title for the purpose of development and sale and who is designated as such in a recorded instrument. The Class "B" members shall originally be entitled to two thousand five hundred (2,500) votes; this number shall be decreased by one (1) vote for each Class "A" member existing at any one time. The Class "B" membership shall

terminate and become converted to Class "A" membership upon the happening of the earlier of the following:

- (i) when the total outstanding Class "A" votes equal or exceed one thousand six hundred sixty-seven (1,667);
- (ii) January 1, 2000; or
- (iii) when, in its discretion, the Declarant so determines.

From and after the happening of these events, whichever occurs earlier, the Class "B" members shall be deemed to be Class "A" members entitled to one (1) vote for each Residential Unit in which it holds the interest required for membership under Section 1 hereof. At such time, the Declarant shall call a meeting, as provided in the By-Laws of the Association for special meetings, to advise the membership of the termination of Class "B" status.

#### ARTICLE IV Maintenance

Section 1. Association's Responsibility. The Association shall maintain and keep in good repair the Common Area, such maintenance to be funded as hereinafter provided. This maintenance shall include, but not be limited to, maintenance, repair, and replacement, subject to any insurance then in effect, of all landscaping and other flora, structures, and improvements situated upon the Common Area.

The Association may, in the discretion of its Board, assume the maintenance responsibilities set out in any Declaration subsequently recorded which creates any residential association (including, but not limited to, condominium associations) upon all or any portion of the Properties. In such event, all costs of such maintenance shall be assessed only against those members residing in the association to which the services are provided. The assumption of this responsibility may take place either by contract or because, in the opinion of the Board, the level and quality of service then being provided is not consistent with the Community-Wide Standard of Stonegate Village. The provision of services in accordance with this Section shall not constitute discrimination within a class.

Section 2. Owner's Responsibility. In accordance with any additional Declaration and Subsequent Amendments to this Declaration which may be filed on portions of the Properties and in accordance with this Declaration, all maintenance of the Residential Unit lot and all structures, parking areas, and other improvements thereon shall be the sole responsibility of the Owner thereof who shall maintain said property in a manner

consistent with the Community-Wide Standard of Stonegate Village and the applicable covenants, provided that if this work is not properly performed by the Owner, the Association may, at its sole option, perform it and assess the Owner; provided, however, whenever entry is not required in an emergency situation, the Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry.

ARTICLE V  
Insurance and Casualty Losses

Section 1. Insurance. The Association's Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain insurance for all insurable improvements on the Common Area and may, but shall not be obligated to, by written agreement with any Parcel Committee as defined in the By-Laws, assume the insurance responsibility for the property contained within the Parcel against loss or damage by fire or other hazards, including extended coverage, vandalism, and malicious mischief. This insurance shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard.

In addition to casualty insurance on the Common Area, the Association may, but shall not, under any circumstances, be obligated to, obtain and continue in effect adequate blanket all-risk casualty insurance in such form as the Board of Directors deems appropriate for the full replacement cost of all structures on the Residential Units. Cost of such coverage shall be a common expense to the Association, if carried on all Residential Units. If the Association elects not to obtain such insurance, then an individual Parcel Committee may obtain such insurance as a common expense of the Parcel to be paid by Parcel Assessments. In the event such insurance is obtained by either the Association or a Parcel Committee, the provisions of this Article shall apply to policy provisions, loss adjustment, and all other subjects to which this Article applies with respect to insurance on the Common Area. All such insurance shall be for the full replacement cost. All such policies shall provide for a certificate of insurance for each member to be furnished to the Association or Parcel Committee, as applicable.

The Board shall also obtain a public liability policy covering the Common Area, the Association and its members for all damage or injury caused by the negligence of the Association or any of its members or agents. The public liability policy shall have at least a Five Hundred Thousand (\$500,000.00) Dollar single person limit as respects bodily injury and property damage, a One Million (\$1,000,000.00) Dollar limit per occurrence, and a Two Hundred Fifty Thousand (\$250,000.00) Dollar minimum property damage limit. Premiums for all insurance on the Common Area

shall be common expenses of the Association; premiums for insurance provided to other associations or Parcels shall be charged to those associations or Parcels. The policy may contain a reasonable deductible, and the amount thereof shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost.

Cost of insurance coverage obtained for the Common Area shall be included in the General Assessment, as defined in Article IX, Section 1.

All such insurance coverage obtained by the Board of Directors shall be written in the name of the Association as Trustee for the respective benefitted parties, as further identified in (b) below. Such insurance shall be governed by the provisions hereinafter set forth:

(a) All policies shall be written with a company licensed to do business in Colorado and holding a rating of XI or better in the Financial Category as established by A. M. Best Company, Inc., if reasonably available, or, if not available, the most nearly equivalent rating.

(b) All policies on the Common Area shall be for the benefit of the Residential Unit Owners and their Mortgagees as their interests may appear; all policies secured at the request of a Parcel Committee shall be for the benefit of the Owners of Residential Units, and their Mortgagees, within the Parcel.

(c) Exclusive authority to adjust losses under policies in force on the Property obtained by the Association shall be vested in the Association's Board of Directors; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(d) In no event shall the insurance coverage obtained and maintained by the Association's Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners, occupants, or their Mortgagees.

(e) All casualty insurance policies shall have an inflation guard endorsement, if reasonably available, and an agreed amount endorsement with a semi-annual review by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in the Douglas County, Colorado, area.

(f) The Association's Board of Directors shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

(i) a waiver of subrogation by the insurer as to any claims against the Association's Board of Directors, its Manager, the Owners, and their respective tenants, servants, agents, and guests;

(ii) a waiver by the insurer of its rights to repair, and reconstruct, instead of paying cash;

(iii) that no policy may be cancelled, invalidated or suspended on account of the conduct of any one or more individual Owners when such conduct is not within the control of the Association;

(iv) that no policy may be cancelled, invalidated, or suspended on account of the conduct of any Director, officer, or employee of the Association or its duly authorized Manager without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its Manager, any Owner, or Mortgagee; and

(v) that any "other insurance" clause in any policy exclude individual Owners' policies from consideration.

In addition to the other insurance required by this Section, the Board shall obtain, as a Common Expense, workman's compensation insurance, if and to the extent necessary, and a fidelity bond or bonds on directors, officers, employees, and other persons handling or responsible for the Association's funds. The amount of fidelity coverage shall be determined in the directors' best business judgment, but may not be less than three (3) months' assessments, plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and may not be cancelled or substantially modified without at least ten (10) days' prior written notice to the Association.

Section 2. Individual Insurance. By virtue of taking title to a Residential Unit subject to the terms of this Declaration, each Owner covenants and agrees with all other Owners and with the Association that each individual Owner shall carry blanket all-risk casualty insurance on the Residential Units and structures constructed thereon as provided for in Section 1 of this Article V, unless the Association or the Parcel Committee of the Parcel in which the Residential Unit is located carries such insurance, which they are not obligated to do. Each individual Owner further covenants and agrees that in the event of a partial loss or damage and destruction resulting in less than total destruction, the individual unit Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction. In the event that the structure is totally destroyed and the individual Owner determines not to rebuild or to reconstruct, the individual Owner

shall clear the Residential Unit of all debris and return it to substantially the natural state in which it existed prior to the beginning of construction. A Parcel Committee may impose more stringent requirements regarding the standards for rebuilding or reconstructing structures on the Residential Unit and the standard for returning the Residential Unit to its natural state in the event the Owner decides not to rebuild or reconstruct.

Section 3. Disbursement of Proceeds. Proceeds of insurance policies shall be disbursed as follows:

(a) If the damage or destruction for which the proceeds are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repairs or reconstruction to the Common Area or, in the event no repair or reconstruction is made, after making such settlement as is necessary and appropriate with the affected Owner or Owners and their Mortgagee(s) as their interests may appear, shall be retained by and for the benefit of the Association and placed in a capital improvements account. This is a covenant for the benefit of any Mortgagee of a Residential Unit and may be enforced by such Mortgagee.

(b) If it is determined, as provided for in Section 4 of this Article, that the damage or destruction to the Common Area for which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be disbursed in the manner as provided for excess proceeds in Section 3(a) of this Article V.

Section 4. Damage and Destruction.

(a) Immediately after the damage or destruction by fire or other casualty to all or any part of the Properties covered by insurance written in the name of the Association, the Board of Directors, or its duly authorized agent, shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this paragraph, means repairing or restoring the property to substantially the same condition in which it existed prior to the fire or other casualty.

(b) Any damage or destruction to the Common Area shall be repaired or reconstructed unless at least seventy-five (75%) percent of the total vote of the Association shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the

Association within said period, then the period shall be extended until such information shall be made available; provided, however, that such extension shall not exceed sixty (60) days. No Mortgagee shall have the right to participate in the determination of whether the Common Area damage or destruction shall be repaired or reconstructed.

(c) In the event that it should be determined by the Association in the manner described above that the damage or destruction of the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the Properties shall be restored to its natural state and maintained as an undeveloped portion of the Common Area by the Association in a neat and attractive condition.

Section 5. Repair and Reconstruction. If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the members, levy a special assessment against all Owners in proportion to the number of Residential Units owned by such Owners as permitted in Article IX, Section 3. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

#### ARTICLE VI Condemnation

Whenever all or any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of all Owners) by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice thereof. The award made for such taking shall be payable to the Association as Trustee for all Owners to be disbursed as follows:

If the taking involves a portion of the Common Area on which improvements have been constructed, then, unless within sixty (60) days after such taking the Declarant and at least seventy-five (75%) percent of the Class "A" members of the Association shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Area to the extent lands are available therefor, in accordance with plans approved by the Board of Directors of the Association. If such improvements are to be repaired or restored, the above provisions in Article V hereof regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any improvements on the Common Area, or if there is a decision made not to repair or restore, or if there



are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board of Directors of the Association shall determine.

ARTICLE VII  
Annexation of Additional Property

Section 1. Annexation Without Approval of Class "A" Membership. As the owner thereof, or if not the owner, with the consent of the owner thereof, Declarant shall have the unilateral right, privilege, and option, from time to time at any time until January 1, 2000, to subject to the provisions of this Declaration and the jurisdiction of the Association all or any portion of the real property described in Exhibit "B", attached hereto and by reference made a part hereof, whether in fee simple or leasehold, by recording in the records of the Clerk and Recorder of Douglas County, Colorado, a Subsequent Amendment annexing such Property. Such amendment to this Declaration shall not require the vote of members. Any such annexation shall be effective upon the filing for record of such amendment unless otherwise provided therein.

Declarant shall have the unilateral right to transfer to any other person the said right, privilege, and option to annex additional property which is herein reserved to Declarant, provided that such transferee or assignee shall be the developer of at least a portion of said real property described in said Exhibit "B" attached hereto and that such transfer is memorialized in a written instrument recorded in the records of the Clerk and Recorder of Douglas County, Colorado.

Prior to any annexation under this Section 1, plans for the development of the additional property must be submitted to the Veterans Administration and the Veterans Administration must determine that the plans are in accordance with the overall general plan heretofore approved by the Veterans Administration and so advise Declarant.

Section 2. Annexation With Approval of Class "A" Membership. Subject to the consent of the owner thereof, upon the written consent or affirmative vote of a majority of the Class "A" members other than Declarant of the Association present in person or by proxy at a meeting duly called for such purpose, and of Declarant until January 1, 2000, the Association may annex real property other than that shown on Exhibit "B", and following the expiration of the right in Section 1, the property shown on Exhibit "B", to the provisions of this Declaration and the jurisdiction of the Association by recording in the records of the Clerk and Recorder of Douglas County, Colorado, a Subsequent Amendment in respect to the property being annexed. Any such Subsequent Amendment shall be signed by the President and the Secretary of the Association, and the Owner of the property being

annexed, and any such annexation shall be effective upon filing unless otherwise provided therein. The time within which and the manner in which notice of any such meeting of the Class "A" members of the Association, called for the purpose of determining whether additional property shall be annexed, and the quorum required for the transaction of business at any such meeting, shall be as specified in the By-Laws of the Association for regular or special meetings, as the case may be.

Section 3. Acquisition of Additional Common Area. Declarant may convey, or lease additional real estate, improved or unimproved, located within the property described in Exhibit "B" which upon conveyance, dedication, or lease to the Association shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of all its members.

Section 4. Amendment. This Article shall not be amended without the written consent of Declarant, so long as the Declarant owns any property described in Exhibits "A" or "B".

#### ARTICLE VIII Rights and Obligations of the Association

Section 1. Common Area. The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Area and all improvements thereon (including furnishings and equipment related thereto), and shall keep it in good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions hereof. In the discharge of its duty to maintain the Common Area, the Association may utilize well water, secondarily treated water, and other energy efficient approaches.

Section 2. Personal Property and Real Property for Common Use. The Association, through action of its Board of Directors, may acquire, hold, lease, and dispose of tangible and intangible personal property and real property. The Board, acting on behalf of the Association, will accept any real or personal property, leasehold, or other property interests within the Properties conveyed to it by the Declarant and by the District.

Section 3. Rules and Regulations. The Association, through its Board of Directors, may make and enforce reasonable rules and regulations governing the use of the Properties, except the use of any portion of the Properties while owned by a county or other political subdivision of the State of Colorado, which rules and regulations shall be consistent with the rights and duties established by this Declaration. Sanctions may include reasonable monetary fines and suspension of the right to vote and

the right to use the Common Area. The Board shall, in addition, have the power to seek relief in any court for violations or to abate nuisances. Imposition of sanctions shall be as provided in the By-Laws of the Association. Prior to any decision to suspend voting rights or rights to use the Common Area, or to impose monetary penalties, the Board shall grant notice and hearing pursuant to the By-Laws. In addition, the Association, through the Board, may, by contract or other agreement, enforce county ordinances or permit Douglas County to enforce ordinances on the Properties for the benefit of the Association and its members.

Section 4. Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or the By-Laws, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

#### ARTICLE IX Assessments

Section 1. Creation of Assessments. There are hereby created assessments for Common Expenses as may be from time to time specifically authorized by the Board of Directors. General Assessments shall be allocated equally among all Residential Units within the Association and shall be for the expenses determined by the Board to be for the benefit of the Association as a whole. Parcel Assessments which benefit less than the Association as a whole shall be levied against Residential Units in particular portions of the Properties or in residential associations for whose benefit Common Expenses are incurred. Special Assessments may also be levied by the Association against Residential Units as provided in Section 3 of this Article. Each Owner, by acceptance of his or her deed or recorded contract of sale, is deemed to covenant and agree to pay these assessments. All such assessments, together with interest at the rate the Board may set from time to time, but not exceeding the rate under the laws of Colorado regarding interest on judgments, costs, and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the Residential Unit against which each assessment is made.

Each such assessment, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Residential Unit at the time the assessment arose, and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance, except no First Mortgagee who obtains title to a Residential Unit pursuant to the remedies provided in the mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title. Assessments shall be paid in such manner and on such dates as may

be fixed by the Board of Directors which may include, without limitation, acceleration of the annual assessment for Owners who are delinquent in payment of assessments as provided in this Article; unless the Board otherwise provides, the assessments shall be paid in monthly installments.

The Association is specifically authorized to enter into subsidy contracts with Declarant or other entities for the payment of some portion of the Common Expenses; provided, however, the Veterans Administration shall be advised of and approve any form of subsidy contract entered into between the Declarant and the Association.

Section 2. Computation of Assessment. It shall be the duty of the Board, at least sixty (60) days before the beginning of the fiscal year and thirty (30) days prior to the meeting at which the budget shall be presented to the membership, to prepare a budget covering the estimated costs of operating the Association during the coming year. The budget shall include a capital contribution establishing a reserve fund in accordance with a capital budget separately prepared and shall separately list general and Parcel expenses, if any. The Board shall cause a copy of the budget, and the amount of the assessments to be levied against each Residential Unit for the following year to be delivered to each Owner at least fifteen (15) days prior to the meeting. The budget and the assessments shall become effective unless disapproved at the meeting by a vote of at least a majority of both classes of the total Association membership.

Notwithstanding the foregoing, however, in the event the membership disapproves the proposed budget or the Board fails for any reason so to determine the budget for the succeeding year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the then current year shall continue for the succeeding year.

The Board may not, without the vote or written consent of a majority of the voting power of the Association, which shall include a majority of the voting power of the Association residing in Members other than the Declarant, impose a General Assessment per Residential Unit which is greater than the previous year's General Assessment by the larger of ten (10%) percent or the percent which the Consumer Price Index for the Denver, Colorado, Metropolitan Area has increased for the previous fiscal year.

Section 3. Special Assessments. In addition to the General Assessments authorized in Section 1, the Association may levy a Special Assessment; provided, however, such assessment shall have the vote or written assent of fifty-one (51%) percent of each Class of Members; provided, however, after the conversion of the Class "B" membership, as provided in Article III above, any such assessment shall have the vote or written assent of

(a) fifty-one (51%) percent of the total votes of the Association and (b) fifty-one (51%) percent of the total votes of the Members other than the Declarant. The Association may also levy a Special Assessment against any Member to reimburse the Association for costs incurred in bringing a Member and his Residential Unit into compliance with the provisions of the Declaration, the Amendments thereto, the Articles, the By-Laws, and the Association Rules and Regulations, which Special Assessment may be levied upon the vote of the Board after notice and an opportunity for a hearing.

Section 4. Assessments Paid by Declarant. The Declarant shall pay one-fourth of the assessment applicable to each Residential Unit in which the Declarant has an ownership interest, provided that no portion of such Residential Unit has been used or occupied for residential purposes. In the event that assessed fees collected by the Association fail to adequately meet Association Common Expenses while the Declarant is paying less than the full assessment for the Residential Units owned by it, then the Declarant must pay an additional sum up to the full assessment applicable to such Residential Units; provided, however, that the assessment to be paid by Declarant shall again be reduced for such Residential Units as soon as the assessed fees collected by the Association adequately meet Association expenses; and provided further, however, that the foregoing covenant of Declarant to be responsible for the payment of such additional amount or amounts shall automatically terminate, and become null and void at such time as the Class "B" membership terminates.

Section 5. Enforcement of Assessment Liens. The lien for assessments shall be evidenced by a written lien notice setting forth the description of the Residential Unit, the amount of assessments thereon which are unpaid as of the date of such lien notice, the rate of default interest accruing on such lien amount, the name of the Owner or Owners thereof, and any and all other information that the Association may deem proper. The lien notice shall be signed by a member of the Board of Directors or by an officer of the Association or by the Manager and shall be recorded in the Office of the Clerk and Recorder of Douglas County, Colorado. Any such lien notice shall not constitute a condition precedent nor delay the attachment of the lien, but such lien is a perpetual lien upon the Residential Unit and attached without notice at the beginning of the first day of any period for which any assessment is levied or assessed.

When a lien notice has been recorded, such assessment shall constitute a lien on each Residential Unit prior and superior to all other liens, except (a) all taxes, bonds, assessments, and other levies which by law would be superior thereto, and (b) the lien or charge of any First Mortgage made in good faith and for value. Such assessment lien shall be superior to any homestead exemption provided by Colorado law and

acceptance and recording of a deed by an Owner shall constitute waiver of the homestead exemption.

If any assessment is not fully paid within thirty (30) days after the same becomes due and payable, interest shall accrue at the rate set in accordance with Section 1 of this Article from the due date on the amount thereof not paid when due, and the Association may bring an action at law or in equity, or both, against any Owner personally obligated to pay the same and may also proceed to foreclose its lien against the particular Residential Unit in the manner and form provided by Colorado law for foreclosure of real estate mortgages in and through the courts. An action at law or in equity by the Association against an Owner to recover a money judgment for unpaid assessments (or any monthly installment thereof) may be commenced and pursued by the Association without foreclosing or, in any way, waiving the Association's lien therefor. In the event that the Association shall commence such an action (or shall counterclaim or crossclaim for such relief in any action) against any Owner personally obligated to pay the same or shall proceed to foreclose this lien against the particular Residential Unit, then all unpaid monthly installments of annual and special assessments and all default assessments (including any such installments for assessments arising during the action or proceeding), any late charges, any accrued interest, and the Association's costs, expenses, and reasonable attorneys' fees incurred for any such action or proceeding shall be taxed by the court as part of the costs of such action or proceeding and shall be recoverable by the Association from such Owner or from the proceeds of such foreclosure sale. Foreclosure or attempted foreclosure by the Association of its lien shall not be deemed to estop or otherwise preclude the Association from thereafter again foreclosing or attempting to foreclose its lien for any subsequent assessments (or monthly installments thereof) which are not fully paid when due or for any subsequent default assessments.

The Association, acting on behalf of the Owners, shall have the power to bid for the Residential Unit at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. During the period owned by the Association following foreclosure and until there is a lease or sale of the Residential Unit by the Association: (1) no right to vote shall be exercised on its behalf; (2) no assessment shall be assessed or levied on it; and (3) each other Residential Unit shall be charged, in addition to its usual assessment, its equal pro rata share of the assessment that would have been charged such Residential Unit had it not been acquired by the Association as a result of foreclosure. Suit to recover a money judgment for unpaid common expenses, and attorneys' fees shall be maintainable without foreclosing or waiving the lien securing the same. The Board may temporarily suspend the voting rights of a member who is in default of payment of any assessment after notice and hearing.

Section 6. Capital Budget and Contribution. The Board of Directors shall annually prepare a capital budget which shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required capital contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Association, as shown on the capital budget, with respect both to amount and timing by annual assessments over the period of the budget. The capital contribution required shall be fixed by the Board and included within the budget and assessment, as provided in Section 2 of this Article. A copy of the capital budget shall be distributed to each member in the same manner as the operating budget.

Section 7. Date of Commencement of Annual Assessment. The annual assessment provided for herein shall commence as to all Residential Units on the first calendar day of the month following the conveyance of the first Residential Unit to an Owner other than Declarant. Assessments shall be due and payable in a manner and on a schedule as the Board of Directors may provide. The first annual assessment shall be adjusted according to the number of months remaining in that fiscal year. The annual assessment for Residential Units annexed into the Properties pursuant to Article VII above shall commence on the first day of the month following the recording of the Subsequent Amendment incorporating the Residential Units into the Properties, and shall be prorated according to the number of months remaining in the calendar year. Any Subassociation may agree with the Association to collect annual or special assessments of the Association as part of its Subassociation assessments and remit them to the Association on a timely basis. Collection of the Association's assessments in this manner shall not prevent the creation of the Association's lien against any Residential Unit within the Subassociation area, or the Association's ability to enforce or collect its assessments as provided above if the assessments are not remitted to the Association in a timely manner.

Section 8. Subordination of the Lien to First Mortgages. The lien of the assessments, including interest, late charges subject to the limitations of Colorado law, and costs (including attorneys' fees), provided for herein shall be subordinate to the lien of any First Mortgage upon any Residential Unit. The sale or transfer of any Residential Unit shall not affect the assessment lien. However, the sale or transfer of any Residential Unit pursuant to judicial or nonjudicial foreclosure of a First Mortgage shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer, but the delinquent assessment shall continue to be the personal obligation of the delinquent Owner. No sale or transfer shall relieve such Residential Unit from lien rights for any assessments thereafter becoming due. Where the First Mortgagee of a Residential Unit obtains title by deed in

lieu of foreclosure, his successors and assigns shall not be liable for the share of the common expenses or assessments by the Association chargeable to such Residential Unit which became due prior to the acquisition of title by deed in lieu of foreclosure to such Residential Unit by such First Mortgagee. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all of the Residential Units, including such acquirer, his successors and assigns.

Section 9. Capitalization of Association. Upon acquisition of record title to a Residential Unit, each Owner shall contribute to the capital of the Association an amount equal to one-sixth (1/6) of the amount of the General Assessment for that Residential Unit as determined by the Board for the year in which the Residential Unit is purchased. This amount shall be deposited by the buyer into the purchase and sales escrow and disbursed therefrom to the Association.

#### ARTICLE X Architectural Standards

The Board of Directors shall have the authority and standing, on behalf of the Association, to enforce in courts of competent jurisdiction decisions of either committee created in this Article X. This Article may not be amended without the Declarant's written consent, so long as the Declarant owns any land subject to annexation to this Declaration.

The committees in this Article X are created to promote conformity and harmony among Improvements within Stonegate Village as to external design, quality and type of construction, materials, color, location in relation to surrounding structures, height, topography, grade and finished ground elevation and all aesthetic considerations herein set forth. No Improvement shall take place on the Properties, except on any portion of the Properties while owned by a county or other political subdivision of the State of Colorado, except in strict compliance with this Article and until the requirements thereof have been fully met and until the approval of the appropriate committee has been obtained.

Section 1. New Construction Committee. The New Construction Committee (NCC) shall have exclusive jurisdiction over all original Improvements on any portion of the Properties, other than property while owned by a political subdivision of the State of Colorado. The NCC shall prepare and, on behalf of the Board of Directors, shall promulgate Design Guidelines and Application Procedures. The standards and procedures shall be those of the Association, and the NCC shall have sole and full authority to prepare and to amend the standards and procedures. It shall make both available to Owners, builders, and developers who seek to engage in development of or construction of



Improvements upon all or any portion of the Properties, other than property while owned by a political subdivision of the State of Colorado and who shall conduct their operations strictly in accordance therewith. The Board may, but shall not be obligated to, promulgate rules and regulations, which may be amended or terminated by the Board from time to time, and which may include monetary fines, governing Owners, builders and developers in the development and construction of Improvements within the Properties, other than property while owned by a political subdivision of the State of Colorado. The Board shall have principal responsibility for enforcement of its rules and regulations as may be in effect from time to time. The NCC shall also have the right, but not the obligation, to enforce the rules and regulations against Owners, builders and developers. A copy of said rules and regulations shall be made available to all owners, builders and developers. Until ninety (90%) percent of the property contained in Exhibits "A" and "B" have been conveyed to purchasers in the normal course of development and sale, the Declarant retains the right to appoint all members of the NCC, which shall consist of at least three (3) but no more than five (5) persons. There shall be no surrender of this right prior to that time, except in a written instrument executed by the Declarant and recorded in the Office of the Clerk and Recorder of Douglas County, Colorado. Upon the expiration of such right, the Board of Directors shall appoint the members in the same manner as provided in Section 2 for the Modifications Committee.

Section 2. Modifications Committee. The Modifications Committee (MC) shall consist of at least three (3) and no more than five (5) members, all of whom shall be appointed by the Board of Directors. The MC shall have exclusive jurisdiction over modifications, additions, or alterations made on or to existing Improvements, Residential Units or structures containing Residential Units and the open space, if any, appurtenant thereto, except on any portion of the Properties while owned by a county or other political subdivision of the State of Colorado; provided, however, that the MC may delegate this authority to the appropriate board or committee of any residential association subsequently created or subsequently subjected to this Declaration so long as the MC has determined that such board or committee has in force review and enforcement practices, procedures and appropriate standards at least equal to those of the MC. Such delegation may be revoked and jurisdiction reassumed at any time by written notice.

The MC shall promulgate detailed Standards and Procedures governing its area of responsibility and practice. In addition thereto, the following shall apply. Plans and specifications showing the nature, kind, shape, color, size, materials, and location of such modifications, additions, or alterations to Improvements upon all or any portion of the Properties, other than property while owned by a county or other political subdivision of the State of Colorado, shall be

submitted to the Modifications Committee for approval as to quality of workmanship and design and harmony of external design with existing structures, and as to location in relation to surrounding structures, topography, and finish grade elevation. No permission or approval shall be required to repaint in accordance with an originally approved color scheme, or to rebuild in accordance with originally approved plans and specifications. Nothing contained herein shall be construed to limit the right of an owner to remodel the interior of his residence, or to paint the interior of his residence any color desired. In the event the MC fails to approve or to disapprove such plans or to request additional information reasonably required within forty-five (45) days after submission, the plans shall be deemed approved.

#### ARTICLE XI Use Restrictions

The Properties, other than any portion of the Properties while owned by a county or other political subdivision of the State of Colorado, shall be used only for residential, recreational, and related purposes as may more particularly be set forth in this Declaration, amendments thereto or subsequently recorded declarations creating residential associations subject to this Declaration. The Association, acting through the Board of Directors, shall have standing and the power to enforce use restrictions contained in any such declaration as if such provision were a regulation of the Association.

The Association, acting through its Board of Directors, shall have the authority to make and to enforce standards and restrictions governing the use of Residential Units and the Common Area including the imposition of reasonable user fees.

Land use standards constituting the initial restrictions and standards are attached hereto as Exhibit "C." These standards shall not apply to any portion of the Properties while owned by a county or other political subdivision of the State of Colorado. These standards are independently amendable in accordance with Exhibit "C," and such amendment shall not constitute nor require an amendment of this Declaration.

#### ARTICLE XII General Provisions

Section 1. Term. The covenants and restrictions of this Declaration shall run with and bind the Properties, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any property subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of thirty (30) years from the

date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by a majority of the then Owners, has been recorded within the year preceding the beginning of each successive period of ten (10) years, agreeing to change said covenants and restrictions, in whole or in part, or to terminate the same.

Section 2. Amendment. Prior to the close of the sale of the first Residential Unit, Declarant may amend this Declaration. After such sale, this Declaration may be amended only by the affirmative vote (in person or by proxy) or written consent of members representing seventy-five (75%) percent of the total votes of the Association, including seventy-five (75%) percent of the affirmative votes or written consents of members other than the Declarant. Any amendment must be recorded in the records of the Clerk and Recorder of Douglas County, Colorado. So long as there is a Class "B" membership, any amendment to the Declaration shall require the prior approval of the Veterans Administration.

No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege.

Section 3. Indemnification. The Association shall indemnify every officer and director against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any officer or director in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer or director. The officers and directors shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be members of the Association), and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or director, may be entitled. The Association shall, as a common expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

Section 4. Delegation of Use. Any owner may delegate, in accordance with the By-Laws of the Association, his or her

right of enjoyment to the Common Area and facilities to the members of his or her family, tenants, and social invitees.

Section 5. Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment as between each Residential Unit and such portion or portions of the Common Area, or property owned by the District, adjacent thereto or as between adjacent Residential Units due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three (3) feet, as measured from any point on the common boundary between each Residential Unit and the adjacent portion of the Common Area or property owned by the District, or as between said adjacent Residential Units, as the case may be, along a line perpendicular to such boundary at such point; provided, however, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of an owner, tenant, or the Association.

Section 6. Easements for Utilities, Etc. There is hereby reserved the power to grant blanket easements upon, across, over, and under all of the Properties for ingress, egress, installation, replacing, repairing, and maintaining master television antenna systems, security, and similar systems, walkways, and all utilities, including, but not limited to, water, sewers, meter boxes, telephones, gas, and electricity. The Board shall, upon written request, grant such easements as may be reasonably necessary for the development of any property described in Exhibit "A" or that may be annexed in accordance with Article VII of this Declaration.

Notwithstanding anything to the contrary contained in this Section, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on said Properties, except as may be approved by the Association's Board of Directors or as provided in connection with the development and sale of the Properties by Declarant. Should any entity furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, the Board of Directors shall have the right to grant such easement on said property without conflicting with the terms hereof. The easements provided for in this Article shall in no way adversely affect any other recorded easement on the Properties.

The Board shall have, by a two-thirds (2/3) vote, the power to dedicate all or part of the Common Area to Douglas County, or other local, state, or federal governmental entity.

Section 7. Construction and Sale. Notwithstanding any provisions contained in the Declaration to the contrary, so long as construction and initial sale of Residential Units shall continue, it shall be expressly permissible for Declarant to

maintain and carry on upon portions of the Common Area such facilities and activities as, in the sole opinion of Declarant, may be reasonably required, convenient, or incidental to the construction or sale of such residences, including, but not limited to, business offices, signs, model units, and sales offices, swales, and drainage, and the Declarant shall have an easement for access to such facilities, provided that such activity shall not unreasonably interfere with the normal use of the Common Area. The right to maintain and carry on such facilities and activities shall include specifically the right to use residences owned by the Declarant and any club house or community center, if any, which may be owned by the Association, as models and sales offices. This Section may not be amended without the express written consent of the Declarant; provided, however, the rights contained in this Section 7 shall terminate upon the earlier of (a) twenty-five (25) years from the date this Declaration is recorded or (b) upon the Declarant's recording of a written statement that all sales activity has ceased.

Section 8. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 9. Right of Entry. The Association shall have the right, but shall not be obligated, to enter upon any Residential Unit for emergency, security, and safety, which right may be exercised by the Association's Board of Directors, officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner, and the entering party shall be responsible for any damage caused. It is intended that this right of entry shall include (and this right of entry shall include) the right of the Association to enter upon a Residential Unit, including any Residential Unit, to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition upon request by the Board.

In addition to the foregoing, the Association shall enjoy such right of entry in order to take curative measures in the event of an Owner's failure to comply, as provided in Section 2 of Article IV.

Section 10. Remedies. In addition to the remedies set forth above in this Declaration, any violation of the Declaration, the NCC Design Guidelines, the MC Design Guidelines, the Articles of Incorporation and By-Laws of the Association, and any rules, regulations or policies adopted by the Board, the NCC or the MC (the "Stonegate Village Documents"), shall give the Board, the Manager, or the Owners, including Declarant, the right

to enter upon the offending premises or take appropriate peaceful action to abate, remove, modify or replace, at the expense of the offending Owner any structure, Improvement, or condition that may exist thereon contrary to the interest and meaning of the Stonegate Village Documents. If the offense occurs on any easement, walkway, Common Area or the like, the cure shall be at the expense of the Owner or other person responsible for the offending condition.

Section 11. Perpetuities. If any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

### ARTICLE XIII Mortgagees' Rights

The following provisions are for the benefit of holders, insurers, or guarantors of First Mortgages on Residential Units in Stonegate Village. To the extent applicable, necessary, or proper, the provisions of this Article XIII apply to both this Declaration and to the By-Laws of Stonegate Village Owners Association, Inc. These provisions apply only to "eligible holders," as hereinafter defined.

Section 1. Notices of Action. An institutional holder, insurer, or guarantor of a First Mortgage, who provides written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the unit number), (therefore becoming an "eligible holder"), will be entitled to timely written notice of:

- (a) any proposed termination of the Association;
- (b) any condemnation loss or any casualty loss which affects a material portion of the Properties or which affects any Residential Unit on which there is a First Mortgage held, insured, or guaranteed by such eligible holder;
- (c) any delinquency in the payment of assessments or charges owed by an Owner of a Residential Unit subject to the Mortgage of such eligible holder, insurer, or guarantor, where such delinquency has continued for a period of sixty (60) days;
- (d) any lapse, cancellation, or material modification of any insurance policy maintained by the Association; or
- (e) any proposed action which would require the consent of eligible holders, as required in Sections 2 and 3 of this Article.

Section 2. Other Provisions for First Mortgagees. To the extent possible under Colorado law:

(a) Any restoration or repair of the Properties after a partial condemnation or damage due to an insurable hazard shall be substantially in accordance with this Declaration and the original plans and specifications unless the approval of the eligible holders of First Mortgages on Residential Units to which at least fifty-one (51%) percent of the votes of Residential Units, subject to Mortgages held by such eligible holders are allocated, is obtained.

(b) Any election to terminate the Association after substantial destruction or a substantial taking in condemnation must require the approval of the eligible holders of First Mortgages on Residential Units to which at least fifty-one (51%) percent of the votes of Residential Units, subject to Mortgages held by such eligible holders, are allocated.

Section 3. Amendments to Documents. The following provisions do not apply to amendments to the constituent documents, that is, the Declaration of Covenants, Conditions, and Restrictions, the By-Laws, and the Articles of Incorporation, or termination of the Association made as a result of destruction, damage, or condemnation pursuant to Section 2 (a) and (b) of this Article XIII, or to the addition of land in accordance with Article VII and a reallocation of interests in the Common Area which might occur pursuant to any plan of expansion or phased development previously approved by the agencies and corporations, to the extent such approval was required under the applicable programs of the agencies and corporations, that is, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Veterans Administration, and the Federal Housing Administration.

(a) The consent of at least sixty-seven (67%) percent of the Class "A" votes and of the Declarant so long as it owns any land subject to this Declaration and the approval of the eligible holders of First Mortgages on units to which at least sixty-seven (67%) percent of the votes of units subject to a Mortgage appertain, shall be required to terminate the Association.

(b) The consent of at least sixty-seven (67%) percent of the Class "A" votes and of the Declarant and the approval of eligible holders of First Mortgages on Residential Units to which at least fifty-one (51%) percent of the votes of Residential Units subject to a Mortgage appertain, shall be required to materially amend any provisions of the Declaration, By-Laws, or Articles of Incorporation of the Association, or to add any material provisions thereto, which establish, provide for, govern, or regulate any of the following:

- (i) voting;
- (ii) assessments, assessment liens, or subordination of such liens;
- (iii) reserves for maintenance, repair, and replacement of the Common Area;
- (iv) insurance or Fidelity Bonds;
- (v) rights to use of the Common Area;
- (vi) responsibility for maintenance and repair of the Properties;
- (vii) expansion or contraction of the Properties or the addition, annexation, or withdrawal of property to or from the Association;
- (viii) boundaries of any Residential Unit;
- (ix) leasing of Residential Units;
- (x) imposition of any right of first refusal or similar restriction of the right of any Owner to sell, transfer, or otherwise convey his or her Residential Unit;
- (xi) establishment of self-management by the Association where professional management has been required by any of the agencies or corporations; or
- (xii) any provisions included in the Declaration, By-Laws, or Articles of Incorporation which are for the express benefit of holders, guarantors, or insurers of First Mortgages on Residential Units.

Section 4. Special FHLMC Provision. So long as required by The Mortgage Corporation, the following provisions apply in addition to and not in lieu of the foregoing three Sections of this Article. Unless two-thirds (2/3) of the First Mortgagees or Owners give their consent, the Association shall not:

- (a) by act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer the Common Area which the Association owns, directly or indirectly;
- (b) change the method of determining the obligations, assessments, dues, or other charges which may be levied against an Owner;
- (c) by act or omission change, waive, or abandon any scheme of regulations or enforcement thereof pertaining to the



architectural design or the exterior appearance and maintenance of Residential Units and of the Common Area;

(d) fail to maintain fire and extended coverage insurance, as required by this Declaration; or

(e) use hazard insurance proceeds for any Common Area losses for other than the repair, replacement, or reconstruction of such property.

**ARTICLE XIV**  
**No Partition**

Except as is permitted in the Declaration or amendments thereto, there shall be no physical partition of the Common Area or any part thereof, nor shall any person acquiring any interest in the Properties or any part thereof seek any such judicial partition until the happening of the conditions set forth in Section 3 of Article V in the case of damage or destruction, or unless the Properties have been removed from the provisions of this Declaration. This Article shall not be construed to prohibit the Board of Directors from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

**ARTICLE XV**  
**Declarant's Rights**

Any or all of the special rights and obligations of the Declarant may be transferred to other persons or entities, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained herein, and provided further, no such transfer shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the Office of the Clerk and Recorder for Douglas County, Colorado.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration this 29th day of April, 1985.

STONEGATE DEVELOPMENTS INC.,  
a Delaware corporation

By: Kurt Wolter  
Kurt Wolter, President



Richard A. Sonntag  
Asst. Secretary

STATE OF COLORADO )  
 ) SS.  
COUNTY OF DOUGLAS )

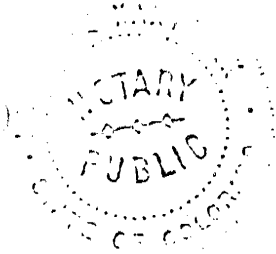
The foregoing Declaration of Covenants, Conditions, and Restrictions for Stonegate Village Owners Association was acknowledged before me on the 29th day of April, 1985, by Kurt Wolter, as President, and Richard A. Sonntag, as Asst. Secretary of Stonegate Developments Inc., a Delaware corporation.

WITNESS my hand and official seal.

My commission expires: 1-22-89.

My address is: 135 E Orchard Rd, Suite 400  
Englewood, CO 80111

Mannette Jarwanek  
NOTARY PUBLIC,  
State of Colorado



## EXHIBIT A

The Property is described as follows:

Parcels of land located in Section 17, Township 6 South, Range 66 West of the Sixth Principal Meridian, County of Douglas, State of Colorado, more particularly described as follows:

Parcel 1 (Stonegate Filing 1A):

Commencing at the Northwest corner of said Section 17; thence S01°55'20"E along the West line of said Section 17, 142.02 feet to a point on the southerly right-of-way line of Lincoln Avenue, as recorded in Book 573 at Page 763 of the Douglas County Records;

thence along said southerly right-of-way the following seven (7) courses:

1. thence N86°56'19"E, 118.06 feet to a point of curve;
2. thence along said curve to the right having a radius of 1755.00 feet, a central angle of 16°30'55", 505.87 feet to the Point of Beginning;
3. thence continuing along said curve to the right having a radius of 1755.00 feet, a central angle of 13°40'35", 418.91 feet to a point of tangent;
4. thence S62°52'11"E along said tangent, 787.41 feet to a point of curve;
5. thence along said curve to the right having a radius of 40.00 feet, a central angle of 90°00'00", 62.83 feet to a point of tangent;
6. thence S27°07'49"W along said tangent, 5.00 feet;
7. thence S62°52'11"E, 80.00 feet;

thence S27°07'49"W, 180.55 feet to a point of curve;

thence along said curve to the left having a radius of 960.00 feet, a central angle of 19°16'35", 322.98 feet to a point of tangent;

thence S07°51'14"W along said tangent, 312.47 feet to a point of curve;

thence along said curve to the right having a radius of 1240.00 feet, a central angle of 15°56'50", 345.13 feet to a point of tangent;

thence S23°48'04"W along said tangent, 573.80 feet to a point of curve;

thence along said curve to the left having a radius of 710.00 feet, a central angle of 52°39'58", 652.63 feet to a point of tangent;

thence S28°51'55"E along said tangent, 65.60 feet to a point of curve;

thence along said curve to the left having a radius of 20.00 feet, a central angle of  $90^{\circ}00'00''$ , 31.42 feet;  
 thence  $S28^{\circ}51'55''E$ , 80.00 feet to a point on a curve;  
 thence along said curve to the left having a radius of 20.00 feet, a central angle of  $90^{\circ}00'00''$ , (a chord which bears  $S16^{\circ}08'05''W$ , 28.28 feet), 31.42 feet;  
 thence  $S61^{\circ}08'05''W$ , 80.00 feet;  
 thence  $N28^{\circ}51'55''W$ , 185.60 feet to a point of curve;  
 thence along said curve to the right having a radius of 790.00 feet, a central angle of  $52^{\circ}39'58''$ , 726.17 feet to a point of tangent;  
 thence  $N23^{\circ}48'04''E$  along said tangent, 321.00 feet;  
 thence  $S66^{\circ}11'56''W$ , 265.00 feet;  
 thence  $N65^{\circ}25'47''W$ , 76.56 feet;  
 thence  $N58^{\circ}09'42''W$ , 97.22 feet;  
 thence  $N28^{\circ}15'30''W$ , 97.22 feet;  
 thence  $N34^{\circ}55'56''W$ , 47.14 feet;  
 thence  $N68^{\circ}12'58''W$ , 147.51 feet;  
 thence  $N21^{\circ}03'25''W$ , 115.36 feet;  
 thence  $N13^{\circ}58'36''E$ , 100.00 feet;  
 thence  $N47^{\circ}09'44''E$ , 90.00 feet;  
 thence  $N32^{\circ}07'06''W$ , 297.65 feet;  
 thence  $N39^{\circ}55'22''E$ , 131.09 feet;  
 thence  $N19^{\circ}08'34''W$ , 170.50 feet;  
 thence  $N06^{\circ}52'06''W$ , 97.05 feet;  
 thence  $N08^{\circ}33'06''E$ , 97.97 feet;  
 thence  $N35^{\circ}33'25''E$ , 143.52 feet;  
 thence  $N47^{\circ}34'18''W$ , 167.05 feet;  
 thence  $N01^{\circ}11'45''W$ , 174.55 feet;  
 thence  $N13^{\circ}27'15''E$ , 164.23 feet to the Point of Beginning, containing 36.8946 acres, more or less.

Parcel 2 (Stonegate Filing 1B):

Commencing at the Northwest corner of said Section 17;  
 thence  $S01^{\circ}55'20''E$  along the west line of said Section 17, 142.02 feet to a point on the Southerly right-of-way line of Lincoln Avenue as recorded in Book 573, Page 763, of the Douglas County Records;  
 thence along said southerly right-of-way line the following five (5) courses:

1. thence  $N86^{\circ}56'19''E$ , 118.06 feet to a point of curve;
2. thence along said curve to the right having a radius of 1755.00 feet, a central angle of  $30^{\circ}11'30''$ , 924.78 feet to a point of tangent;
3. thence  $S62^{\circ}52'11''E$  along said tangent, 767.41 feet to a point of curve;
4. thence along said curve to the right having a radius of 60.00 feet, a central angle of  $90^{\circ}00'00''$ , 94.25 feet;
5. thence  $S62^{\circ}52'11''E$ , 80.00 feet to a point on the easterly boundary of Stonegate Filing No. 1A;

thence along the easterly boundary of said Stonegate Filing No. 1A, the following nine (9) courses:

1. thence S27°07'49"W, 165.55 feet to a point of curve;
2. thence along said curve to the left having a radius of 960.00 feet, a central angle of 19°16'35", 322.98 feet to a point of tangent;
3. thence S07°51'14"W along said tangent, 251.67 feet to the Point of Beginning;
4. thence continuing S07°51'14"W along said tangent, 60.79 feet to a point of curve;
5. thence along said curve to the right having a radius of 1240.00 feet, a central angle of 15°56'50", 345.13 feet to a point of tangent;
6. thence S23°48'04"W along said tangent, 573.80 feet to a point of curve;
7. thence along said curve to the left having a radius of 710.00 feet, a central angle of 52°39'58", 652.63 feet to a point of tangent;
8. thence S28°51'55"E along said tangent, 65.60 feet to a point of curve;
9. thence along said curve to the left having a radius of 20.00 feet, a central angle of 90°00'00", 31.42 feet to a point of tangent;

thence N61°08'05"E along said tangent, 445.19 feet to a point of curve;

thence along said curve to the right having a radius of 765.00 feet, a central angle of 24°30'55", 327.32 feet to a point of tangent;

thence N85°39'01"E along said tangent, 272.21 feet to a point of curve;

thence along said curve to the left having a radius of 560.00 feet, a central angle of 07°50'40", 76.67 feet to a point of compound curve;

thence along said curve to the left having a radius of 20.00 feet, a central angle of 94°46'49", 33.08 feet to a point of tangent;

thence N16°58'28"W, along said tangent, 32.26 feet;

thence N73°01'32"E, 50.00 feet;

thence N64°46'15"E, 83.91 feet;

thence N57°03'29"E, 60.37 feet;

thence N50°01'00"E, 60.37 feet;

thence N42°58'30"E, 60.37 feet;

thence N38°40'44"E, 51.53 feet;

thence N38°37'16"E, 435.00 feet;

thence N51°22'44"W, 105.00 feet;

thence N38°37'16"E, 16.55 feet;

thence N51°22'44"W, 50.00 feet to a point on a curve;

thence along said curve to the right having a radius of 20.00 feet, a central angle of 90°00'00" (a chord which bears S83°37'16"W, 28.28 feet), an arc distance of 31.42 feet;

thence S38°37'16"W, 50.00 feet to a point on a curve;

thence along said curve to the right having a radius of 20.00 feet, a central angle of 90°00'00" (a chord which bears S06°22'44"E, 28.28 feet), an arc distance of 31.42 feet to a point of tangent;

thence S38°37'16"W along said tangent, 80.00 feet;

thence N51°22'44"W, 160.00 feet;

thence N45°18'38"W, 150.85 feet;

thence N18°11'45"E, 199.42 feet;

thence N57°10'12"W, 39.64 feet;

thence N75°53'35"W, 237.67 feet;

thence N05°40'26"W, 220.64 feet;

thence S78°36'56"W, 155.00 feet;

thence S11°23'04"E, 7.43 feet;

thence S80°45'33"W, 132.31 feet;

thence N83°17'11"W, 48.82 feet;

thence N82°08'46"W, 373.82 feet to the Point of Beginning, containing 38.2722 acres, more or less.

Parcel 3 (Stonegate Filing 1C):

Commencing at the Northwest corner of said Section 17;

thence S01°55'20"E along the west line of said Section 17, 142.02 feet to a point on the Southerly right-of-way line of Lincoln Avenue as recorded in Book 573, Page 763, of the Douglas County Records;

thence along said southerly right-of-way line the following eight (8) courses:

1. thence N86°56'19"E, 118.06 feet to a point of curve;
2. thence along said curve to the right having a radius of 1755.00 feet, a central angle of 30°11'30", 924.78 feet to a point of tangent;
3. thence S62°52'11"E along said tangent, 767.41 feet to a point of curve;
4. thence along said curve to the right having a radius of 60.00 feet, a central angle of 90°00'00", 94.25 feet;
5. thence S62°52'11"E, 80.00 feet to a point on a curve, said point being the Point of Beginning;
6. thence along said curve to the right having a radius of 60.00 feet a central angle of 90°00'00" (a chord which bears N72°07'49"E, 84.85 feet), an arc distance of 94.25 feet to a point of tangent;
7. thence S62°52'11"E along said tangent, 719.70 feet to a point of curve;
8. thence along said curve to the right having a radius of 2102.00 feet, a central angle of 20°05'14", 736.94 feet;

thence S07°02'35"W, 355.46 feet;

thence S14°23'29"W, 68.77 feet;

thence S20°03'26"W, 300.00 feet;

thence S23°07'24"W, 64.89 feet;

thence S33°21'37"W, 65.39 feet;

thence S38°37'16"W, 50.00 feet to a point on the northeasterly boundary of Stonegate Filing No. 1B;  
thence along said northeasterly boundary the following eighteen (18) courses:

1. thence N51°22'44"W, 105.00 feet;
2. thence N38°37'16"E, 16.55 feet;
3. thence N51°22'44"W, 50.00 feet to a point on a curve;
4. thence along said curve to the right having a radius of 20.00 feet, a central angle of 90°00'00" (a chord which bears S83°37'16"W, 28.28 feet), an arc distance of 31.42 feet;
5. thence S38°37'16"W, 50.00 feet to a point on a curve;
6. thence along said curve to the right having a radius of 20.00 feet, a central angle of 90°00'00" (a chord which bears S06°22'44"E, 28.28 feet), an arc distance of 31.42 feet to a point of tangent;
7. thence S38°37'16"W along said tangent, 80.00 feet;
8. thence N51°22'44"W, 160.00 feet;
9. thence N45°18'38"W, 150.85 feet;
10. thence N18°11'45"E, 199.42 feet;
11. thence N57°10'12"W, 39.64 feet;
12. thence N75°53'35"W, 237.67 feet;
13. thence N05°40'26"W, 220.64 feet;
14. thence S78°36'56"W, 155.00 feet;
15. thence S11°23'04"E, 7.43 feet;
16. thence S80°45'33"W, 132.31 feet;
17. thence N83°17'11"W, 48.82 feet;
18. thence N82°08'46"W, 373.82 feet to the easterly line of Stonegate Filing No. 1A;

thence along said easterly line the following three (3) courses;

1. thence N07°51'14"E, 251.67 feet to a point of curve;
2. thence along said curve to the right having a radius of 960.00 feet, a central angle of 19°16'35", 322.98 feet to a point of tangent;
3. thence N27°07'49"E along said tangent, 165.55 feet to the Point of Beginning, containing 26.1195 acres, more or less.

Parcel 4 (Stonegate Filing 3):

Commencing at the Northwest corner of said Section 17;  
thence S01°55'20"E along the West line of said Section 17, 142.02 feet to a point on the southerly right-of-way line of Lincoln Avenue, as recorded in Book 573 at Page 763 of the Douglas County Records, said point also being the Point of Beginning;  
thence continuing along said West line, S01°55'20"E, 3246.74 feet;  
thence N88°04'40"E, 236.26 feet;  
thence N41°16'23"E, 122.33 feet;

thence N01°55'20"W, 83.97 feet;  
 thence N13°06'05"W, 73.20 feet;  
 thence N88°04'40"E, 154.47 feet;  
 thence N76°25'13"E, 60.50 feet;  
 thence N69°57'12"E, 60.44 feet;  
 thence N62°42'12"E, 60.44 feet;  
 thence N57°33'02"E, 25.49 feet;  
 thence N52°23'52"E, 60.44 feet;  
 thence N45°08'53"E, 60.44 feet;  
 thence N37°53'53"E, 60.44 feet;  
 thence N28°31'04"E, 60.34 feet;  
 thence N23°48'04"E, 164.95 feet to a point on a curve;  
 thence along said curve to the left having a radius of 211.00 feet, a central angle of 18°12'55", (whose chord bears S80°32'25"E, a chord distance of 66.80 feet), 67.08 feet to a point of tangent;  
 thence S89°38'52"E along said tangent, 52.63 feet to a point of curve;  
 thence along said curve to the right having a radius of 20.00 feet, a central angle of 86°02'09", 30.03 feet to a point on the southwesterly boundary line of Stonegate Filing No. 1A, said point also being on a curve;  
 thence along the boundary line of said Stonegate Filing No. 1A the following twenty (20) courses:

1. thence along said curve to the right having a radius of 790.00 feet a central angle of 27°24'47", (whose chord bears N10°05'40"E, a chord distance of 374.38 feet), 377.97 feet to a point of tangent;
2. thence N23°48'04"E along said tangent, 227.05 feet;
3. thence N66°11'56"W, 401.01 feet;
4. thence N71°03'01"W, 60.46 feet;
5. thence S88°04'40"W, 209.69 feet;
6. thence N01°55'20"W, 92.35 feet;
7. thence S88°04'40"W, 15.79 feet to a point of curve;
8. thence along said curve to the right having a radius of 55.00 feet, a central angle of 260°30'24", 250.07 feet;
9. thence N01°55'20"W, 230.77 feet;
10. thence N13°58'36"E, 100.00 feet;



11. thence N47°09'44"E, 90.00 feet;
12. thence N32°07'06"W, 297.65 feet;
13. thence N39°55'22"E, 131.09 feet;
14. thence N19°08'34"W, 170.50 feet;
15. thence N06°52'06"W, 97.05 feet;
16. thence N08°33'06"E, 97.97 feet;
17. thence N35°33'25"E, 143.52 feet;
18. thence N47°34'18"W, 167.05 feet;
19. thence N01°11'45"W, 174.55 feet;
20. thence N13°27'15"E, 164.23 feet to a point on the southerly right-of-way of said Lincoln Avenue, said point also being on a curve;

thence along said southerly right-of-way the following two (2) courses:

1. thence along said curve to the left having a radius of 1755.00 feet, a central angle of 16°30'55", (whose chord bears N84°48'13"W a chord distance of 504.12 feet), 505.87 feet to a point of tangent;
2. thence S86°56'19"W along said tangent, 118.06 feet to the Point of Beginning.

EXHIBIT B

DESCRIPTION OF EXPANSION PROPERTY

A parcel of property located in Section 8, 15, 16 and 17, all being in Township 6 South, Range 66 West of the Sixth Principal Meridian, County of Douglas, State of Colorado.

EXHIBIT C

To

Declaration of Covenants, Conditions and Restrictions

For

Stonegate Village Owners Association

Land Use Standards

1. Enforcement. The Association, acting through its Board of Directors, shall have the authority to enforce these Land Use Standards governing the use of the Properties, except the use of any portion of the Properties while owned by a county or other political subdivision of the State of Colorado.

2. General Restriction. The Properties shall be used only for the purposes set forth in the Declaration as permitted by the applicable ordinances of the County of Douglas, Colorado, and the laws of the State of Colorado and the United States.

3. Excavation. No excavation shall be made except in connection with construction approved as provided in the Declaration. For purposes of this Section, "excavation" shall mean any disturbance of the surface of the land (except to the extent reasonably necessary for approved landscape planting, or for repair of existing underground utilities) which results in a removal of earth, rock, or other substance a depth of more than 18 inches below the natural surface of the land.

4. Wells. No well for the production of or from which there is produced water, oil, or gas shall be dug nor storage tanks or reservoirs, nor any installation of power, telephone, or other utility lines (wire, pipe, or conduit) shall be made or operated anywhere on the Properties, except water wells and works operated by the District or Stonegate Center Metropolitan District, public agencies, or duly certified public utility companies; provided, however, that the foregoing shall not prevent the drilling of or installation of additional water wells by Declarant or its assigns.

5. Animals and Pets. No animals, livestock, or poultry of any kind shall be kept, raised, or bred on any portion of the Properties, except dogs, cats, or other household pets (the kind and number of which may be regulated, permitted or

prohibited from time to time by rules and regulations promulgated by the Board).

(a) Household pets, such as dogs and cats, must be contained upon Owner's Residential Unit, and such pets may not be permitted to run at large at any time. Approved fencing is required to assure that domestic pets do not stray from the Owner's Residential Unit. In lieu of fencing a Residential Unit and as the NCC may approve, Owners may construct a fenced run on a Residential Unit.

(b) Pedestrians within the Properties who are accompanied by dogs must have the dogs under the pedestrians' direct control by use of a leash not to exceed 10 feet in length.

6. Aerials and Antennae. Any exterior radio or television or other aerial, antenna, satellite dish, tower or other transmitting or receiving structure, or support thereof, shall be erected, installed, placed, or maintained entirely within the enclosed portion of an individual building constituting part of a Residential Unit (and therefore shall not be visible from the neighboring properties and streets).

7. Energy Conservation Equipment. No unsightly finishes, reflective surfaces (which cause glare to the neighboring properties or streets) or unsightly exposed piping and wiring are permitted on any solar energy collector panels or attendant hardware or other energy conservation equipment constructed or installed on any Residential Unit.

8. Air Conditioning Units. Compressors and fans for central air conditioning systems which are located outside the exterior of a building shall be adequately walled, fenced or landscaped to prevent unreasonable noise and exposure. Air conditioning units extending from windows or protruding from roofs are not permitted.

9. Clothes Drying Areas. Any clothes drying or hanging areas will be screened so as not to be visible from the neighboring properties and streets.

10. Signage. No signs, advertisements, billboards or advertising structure of any kind shall be displayed to the public view on any portion of a Residential Unit lot or structure, or on any separately platted lot or other portion of the Properties, other than property while owned by a county or other political subdivision of the State of Colorado, except (i) a sign of not more than six square feet advertising such Residential Unit for sale, or (ii) a sign which is first approved by the NCC in writing or in the design guidelines adopted by the NCC pursuant to Article X, Section 1 of the Declaration of which

this Exhibit "C" is a part. Except for the Declarant, no Owner may erect individual lot signs for unimproved lots within the Properties.

11. Walls, Fences, Hedges and Screening. No wall, fence, hedge or similar structure shall be placed, constructed, erected or permitted on a Residential Unit lot unless approved by the NCC or the MC, as applicable, in writing. No fence or wall shall be more than six (6) feet high. Unless required by law, or specifically provided for in the NCC Design Guidelines, no separately platted lot boundary fence shall be of wire or chain link construction, nor shall any fence of wire or chain link construction be visible from the neighboring streets.

12. Decks and Patios. No metal or fiberglass awnings or roofs over deck or patio enclosures are permitted.

13. Retaining Walls. No retaining walls which adversely alter or affect, in the opinion of the NCC or the MC (as the case may be), existing drainage patterns are permitted.

14. Artificial Vegetation. No artificial vegetation is permitted anywhere on or outside any Residential Unit structure.

15. Sight Distances at Intersection. Except for required traffic control equipment and postal facilities, no fence, wall, hedge or shrub planting or other structure shall be placed or planted on corner lots which obstructs sight lines at elevations between two and one half (2 1/2) feet and eight (8) feet above the top of the street edge within the triangular area formed by the junction of street edge lines and a line connecting such street edge lines at points twenty (20) feet from the junction of such street edge lines.

16. Landscaping and Ground Maintenance.

(a) Grass, hedges, shrubs, vines and mass planting of any type on each Residential Unit lot shall be irrigated, mowed, trimmed and cut at regular intervals so as to be maintained in a neat and attractive manner. Trees, shrubs, vines, plants and grass which die shall be promptly removed and replaced with living foliage of like kind.

(b) All Residential Units shall be kept at all times in a sanitary, healthful, attractive and safe condition, and the Owners or occupants of all Residential Units shall keep all weeds, grass and dead trees thereon cut and shall in no event use any Residential Unit lot or structure for storage of materials and equipment, or permit the accumulation of garbage, trash or rubbish of any kind thereon or therein, except for normal residential requirements or incident to construction of improvements

thereon. All yard equipment or storage piles (including wood piles) shall be kept screened by a walled service yard or similar facility, so as not to be visible from the neighboring properties and streets.

17. Pool Equipment. No swimming pools shall be installed above ground. Pumps and related equipment, and jacuzzis and hot tubs shall be concealed so as not to be visible from the neighboring properties and streets.

18. Exterior Lighting. No exterior lighting fixture shall be installed upon any Residential Unit lot or Residential Unit except as approved in writing by the NCC or the MC, as applicable. No lighting fixture will be approved that may become an annoyance or a nuisance to owners or occupants of the neighboring properties.

19. Automotive Repair and Maintenance. Except in the case of emergencies, no automotive repairs or maintenance may be conducted within or upon a Residential Unit lot in such a manner as to be visible from any point outside the Residential Unit lot.

20. Vehicle Parking. Subject to the provisions of paragraphs 21 and 23 in this Exhibit "C" below, all motor vehicles shall be parked in garages or driveways on Residential Unit lots. A minimum of three (3) parking spaces shall be provided on each single family Residential Unit lot. At least one (1) of the said three (3) parking spaces shall be covered and enclosed. Parking on lawns or on areas not designated for vehicular purposes is prohibited. Subject to any laws, rules or regulations promulgated by government authority, temporary parking along the side of streets is not permitted unless:

(a) There is temporarily inadequate space in the garage or driveway (not caused by any permanent or semi-permanent condition) to permit the vehicle to be parked therein; and

(b) The vehicle owner and operator shall, whenever possible, cause the vehicle to be parked in front of the Residential Unit of which the owner or operator is a resident, guest or invitee.

21. Recreational Vehicles, Boats, Mobile Homes. No boats, trailers, recreational vehicles, buses, inoperative or abandoned vehicles of any kind, unattached camper shells, or boat rigging or other similar items of conveyance shall be parked or stored: (i) on any public street or right-of-way, or (ii) on any Residential Unit lot unless such vehicle can be, and is, totally enclosed within a closed residential garage.

22. Abandoned and Inoperable Vehicles. Abandoned or inoperable automobiles or vehicles of any kind, except as hereinafter provided, shall not be stored or parked on any portion of the Properties, other than property while owned by a county or other political subdivision of the State of Colorado. "Abandoned or inoperable vehicle" shall be defined as any vehicle which has not been driven under its own propulsion for a period of three weeks or longer; provided, however, this shall not include vehicles parked by Owners while on vacation. A written notice describing the "abandoned or inoperable vehicle" and requesting removal thereof may be personally served upon the Owner or posted on the unused vehicle; and if such vehicle has not been removed within 72 hours thereafter, the Association shall have the right to remove the same without liability to it, and the expense thereof shall be charged against the Owner.

23. Commercial Motor Vehicle. No motor vehicles and trailers of a type generally used in a trade or business or otherwise for commercial purposes including, without limitation, tractors, trucks, and trailers (but specifically excluding passenger automobiles, pickup trucks of one ton or less, and small vans, these being subject to paragraphs 20 and 21 above in this Exhibit "C"), shall be parked and stored: (i) on any public street or right-of-way, or (ii) on any Residential Unit lot unless such vehicle can be, and is, totally enclosed within a closed residential garage.

24. Refuse Collection. Refuse shall be deposited in closed garbage cans or sealed garbage bags and taken to the edge of the street for scheduled collection not more than twelve (12) hours before such collection is scheduled to occur. Emptied cans shall be removed from the edge of the street as soon as practicable following such collection. Except when temporarily placed at the edge of the street for scheduled collection, all garbage cans and other refuse containers shall be located in a suitable storage area within Residential Unit lots, not visible from the neighboring properties and streets.

25. Litter, Trash, Garbage. No vacant lot or Residential Unit lot shall be used or maintained as a dumping ground for rubbish, trash, waste materials or garbage.

26. Permanent Barbecues. No permanent barbecues are permitted in front yards.

27. Activities. No noxious or offensive activity shall be carried on upon any Residential Unit lot nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

28. Drainage. No building or other structure shall be constructed on any drainage easement as shown and reserved on any duly recorded subdivision plat covering all or any portion of the

Properties, other than property while owned by a county or other political subdivision of the State of Colorado, unless: (i) such building or structure shall not obstruct the normal drainage flow intended to be protected by such easement, and (ii) permission to build such building or structure is first obtained from the holder of such easement and from the NCC. Surface waters may not be discharged onto neighboring property in a manner detrimental to that property. Storm water from buildings and pavements on each Residential Unit lot shall be directed by pipe or swale to the nearest storm sewer or natural waterway on the lot in a manner that is not detrimental to the neighboring property. Storm water originating from the natural watersheds of adjacent property shall be accommodated and transmitted through the Residential Unit lot to an existing outlet or continuing natural watershed.

29. Mineral Extraction. No mineral extraction or exploration activity will be permitted within the Properties.



RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

Stonegate Village Owners Association  
7208 S Tucson Way #125  
Centennial, CO 80112  
Attention: Mark Eames

**E-RECORDED**  
THIS DOCUMENT WAS RECORDED \_\_\_\_\_

**NOTICE OF ANNEXATION AND SUBSEQUENT AMENDMENT TO  
THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR  
STONEGATE VILLAGE OWNERS ASSOCIATION**

THIS NOTICE OF ANNEXATION AND SUBSEQUENT AMENDMENT TO THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR STONEGATE VILLAGE OWNERS ASSOCIATION (this "Amendment") is made this 17<sup>th</sup> day of July, 2017, by NNP II-STONEGATE, LLC, a Delaware limited liability company ("Developer"), whose address is 6312 S. Fiddlers Green Circle, Suite 435N, Greenwood Village, CO 80111.

**RECITALS**

A. The Declaration of Covenants, Conditions and Restrictions for Stonegate Village Owners Association was recorded in the real property records of Douglas County, Colorado (the "Records") on May 13, 1985, in Book 573 at page 767, as amended (the "Declaration"). All captioned terms used herein have the same meaning as set forth in the Declaration unless otherwise defined herein.

B. The First Subsequent Amendment of Declaration of Covenants, Conditions and Restrictions for Stonegate Village Owners Association recorded in the Records on June 4, 2015, at Reception No. 2015036659 ("First Subsequent Amendment") grants to Developer, and its successors and assigns, the right to exercise certain Development Rights (as defined in the First Subsequent Amendment) with respect to the NNP Annexable Property (as defined in the First Subsequent Amendment), including the right to annex any portion or all of the NNP Annexable Property to the Declaration from time to time prior to the expiration of the Development Rights Term (as defined in the First Subsequent Amendment). The Development Rights Term has not expired.

C. Developer desire to exercise its right to annex to the Declaration that portion of NNP Annexable Property that is more particularly described on Exhibit A attached hereto and incorporated herein by this reference (the "Annexed Property").

D. The Annexed Property was purchased from Developer by Meritage Homes of Colorado, Inc., an Arizona corporation ("Owner"), and Owner executes this Amendment to evidence its consent to and approval of the annexation of the Annexed Property to the Declaration by the recording of this instrument in the Records.

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

Stonegate Village Owners Association  
7208 S Tucson Way #125  
Centennial, CO 80112  
Attention: Mark Eames

**E-RECORDED**  
THIS DOCUMENT WAS RECORDED \_\_\_\_\_

**NOTICE OF ANNEXATION AND SUBSEQUENT AMENDMENT TO  
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B. The First Subsequent Amendment of Declaration of Covenants, Conditions and Restrictions for Stonegate Village Owners Association recorded in the Records on June 4, 2015, at Reception No. 2015036659 ("**First Subsequent Amendment**") grants to Developer, and its successors and assigns, the right to exercise certain Development Rights (as defined in the First Subsequent Amendment) with respect to the NNP Annexable Property (as defined in the First Subsequent Amendment), including the right to annex any portion or all of the NNP Annexable Property to the Declaration from time to time prior to the expiration of the Development Rights Term (as defined in the First Subsequent Amendment). The Development Rights Term has not expired.

C. Developer desire to exercise its right to annex to the Declaration that portion of NNP Annexable Property that is more particularly described on **Exhibit A** attached hereto and incorporated herein by this reference (the "**Annexed Property**").

D. The Annexed Property was purchased from Developer by Meritage Homes of Colorado, Inc., an Arizona corporation ("**Owner**"), and Owner executes this Amendment to evidence its consent to and approval of the annexation of the Annexed Property to the Declaration by the recording of this instrument in the Records.

E. The purpose of this Amendment is to annex the Annexed Property to the Declaration and to include the Annexed Property within the Properties that are subject to the Declaration, which annexation is to be effective as of the Effective Date (as defined below). The Annexed Property annexed into the Declaration by this instrument is a part of the NNP Annexable Property that is identified and described on Exhibit B-1 of the First Subsequent Amendment as real property that is annexable to the Declaration.

## DECLARATION

NOW, THEREFORE, with the consent of the undersigned Owner, effective upon the date that this Amendment is recorded in the Records ("**Effective Date**"), Developer hereby adds and annexes the Annexed Property, together with all improvements, appurtenances, and facilities now or hereafter thereon, into the Declaration, and imposes upon the Annexed Property the following conditions, restrictions, reservations and equitable servitudes.

1. Annexation. The Annexed Property is added to the Declaration pursuant to the provisions of the First Subsequent Amendment. The Annexed Property being annexed to the Declaration and made part of the Properties subject to the Declaration by this Amendment is described in **Exhibit A**, attached hereto and incorporated herein by this reference. The Annexed Property consists of Lots as more particularly identified on **Exhibit A**. A Plat containing the Annexed Property is identified in **Exhibit A** and has been recorded in the Records. Each Lot in the Annexed Property and its identifying designation is set forth on the Plat and is listed on **Exhibit A**. The Annexed Property is a part of the NNP Annexable Property described on Exhibit B-1 of the First Subsequent Amendment. The undersigned Owner is the owner of the Annexed Property and hereby consents to the annexation of the Annexable Property into the Declaration.

2. Effect of Annexation. The Annexed Property is annexed to and made subject to the Declaration and shall be held, transferred, sold, conveyed and occupied subject to all of the terms, provisions, covenants, conditions, reservations, charges, and liens set forth in the Declaration, as supplemented and amended from time to time, including all assessment obligations set forth in the Declaration. The Annexed Property is also subject to all of the provisions of the Articles of Incorporation and the Bylaws of Stonegate Village Owner's Association, Inc. as more particularly described in the Declaration, the Articles of Incorporation, and the Bylaws.

3. Assessments. Upon the annexation of the Annexed Property by the recording of this Amendment in the Records, and as provided in the Declaration, the Parcel Assessment for each Lot in the Annexed Property shall be equal to the Parcel Assessment on each other Residential Unit, subject to adjustment as provided in the Declaration.

4. Binding Effect. This Amendment runs with the Annexed Property and is binding upon the successors and assigns of the signatories hereto and each successor owner of the Annexed Property.

[signature page follows]

**DEVELOPER:**

**NNP II - STONEGATE, LLC,**  
a Delaware limited liability company

By: Sandra C Thomas  
Name: Sandra C. Thomas  
Title: ~~Assistant~~ Vice President  
*Act*

STATE OF COLORADO                   §  
  §  
COUNTY OF ARAPAHOE           §

The foregoing instrument was acknowledged before me this 19th day of July, 2017, by Sandra C. Thomas, ~~Assistant~~ Vice President of NNP II - STONEGATE, LLC, a Delaware limited liability company.

AMBER SANDS  
Notary Public  
State of Colorado  
Notary ID # 20174002266  
My Commission Expires 01-17-2021

[Signature]  
Notary Public  
My Commission Expires: 1-17-2021

[OWNER SIGNATURE PAGE FOLLOWS]



EXHIBIT A

To

**NOTICE OF ANNEXATION AND SUBSEQUENT AMENDMENT TO  
THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR  
STONEGATE VILLAGE OWNERS ASSOCIATION**

Annexed Property

PARCEL A1:

LOTS 1-29, STONEGATE FILING NO. 4, 6<sup>TH</sup> AMENDMENT, COUNTY OF DOUGLAS,  
STATE OF COLORADO

PARCEL B:

LOTS 1-33, STONEGATE FILING 22, 5<sup>TH</sup> AMENDMENT, COUNTY OF DOUGLAS,  
STATE OF COLORADO

**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

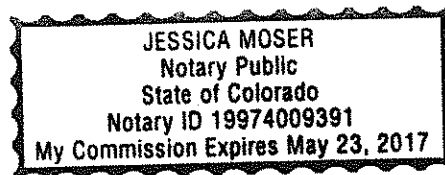
STATE OF COLORADO )  
 ) ss.  
COUNTY OF Douglas )

The foregoing instrument was acknowledged before me this 28<sup>th</sup> 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 20<sup>th</sup> 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]



**EXHIBIT B-1**

**Legal Description of NNP Annexable Property**

**Lot 1A, Stonegate Filing No. 4, 2<sup>nd</sup> Amendment, County of Douglas, State of Colorado.**

**Lot 2A-1, Stonegate Filing No. 4, 3<sup>rd</sup> 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, 2<sup>nd</sup> 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.**

