

STATE OF COLORADO

COUNTY OF EL PASO

Indexing Note: Please index in grantee's index under "Wolf Ranch Residential Property" and "Wolf Ranch Owners Association, Inc." and in grantor's index under "Norwood Limited, Inc.," and "Villages at Wolf Ranch, LLC"

Upon recording, please return to:

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**SUPPLEMENT TO THE
COMMUNITY CHARTER FOR WOLF RANCH RESIDENTIAL PROPERTY
AND THE
COMMUNITY COVENANT FOR WOLF RANCH
(Parkwood at Wolf Ranch)**

THIS SUPPLEMENT is made by Norwood Limited, Inc., a Colorado corporation, its successors and assigns (the "Founder"), and Villages at Wolf Ranch, LLC, a Colorado limited liability company, its successors and assigns ("Villages").

BACKGROUND

Founder Affiliates are the developer of the planned community located in El Paso County, Colorado, known as Wolf Ranch. Founder executed and filed that Community Charter for Wolf Ranch Residential Property, which was recorded on October 29, 2003, at Reception No. 203254733, in the Office of the Clerk and Recorder of El Paso County, Colorado (such Community Charter, as it may be amended or supplemented from time to time, is referred to in this Supplement as the "Charter"). Founder also executed and filed that Community Covenant for Wolf Ranch, which was recorded on October 29, 2003, at Reception No. 203254734, in the Office of the Clerk and Recorder of El Paso County, Colorado (such Community Covenant, as it may be amended or supplemented from time to time, is referred to in this Supplement as the "Covenant").

THE CHARTER PROVIDES FOR THE PAYMENT OF CERTAIN AMOUNTS TO THE WOLF RANCH OWNERS ASSOCIATION. THE ASSOCIATION MUST BE CONTACTED PRIOR TO THE CLOSING OF ANY UNIT TO DETERMINE THE AMOUNTS DUE AND OWING AT THE CLOSING.

THE COVENANT PROVIDES FOR THE PAYMENT OF A COMMUNITY ENHANCEMENT FEE TO THE WOLF RANCH COMMUNITY COUNCIL AT EACH CLOSING

OF A UNIT. THE COMMUNITY COUNCIL MUST BE CONTACTED PRIOR TO THE CLOSING OF ANY UNIT TO DETERMINE THE AMOUNTS DUE AND OWING AT THE CLOSING.

The property subject to the Charter constitutes a "planned community," as defined in the Colorado Common Interest Ownership Act, C.R.S. §38-33.3-101, et seq (the "Act"). This Supplement, together with the property referenced on Exhibit "A," constitutes an amendment pursuant to C.R.S. §38-33.3-210(1) to exercise the development right to add real estate to the planned community.

Pursuant to Section 17.1 of the Charter and Section 4.1 of the Covenant, the Founder reserved the right to expand the Wolf Ranch community by recording one or more Supplements submitting to the terms of the Charter and the Covenant all or any portion of the additional property described on Exhibit "B" of the Charter and Exhibit "B" of the Covenant, respectively (the "Expansion Property"). Section 17.3 of the Charter authorizes the Founder to impose additional covenants and easements on property described in any Supplement. Any such Supplement requires the consent of the owner of the property being submitted, if other than the Founder.

The property described on Exhibit "A" to this Supplement (the "Additional Property") is a portion of the Expansion Property. Villages, as the owner of the Additional Property, desires to submit the Additional Property to the terms of the Charter and the Covenant.

NOW, THEREFORE, Founder and Villages hereby submit the real property described on Exhibit "A" of this Supplement to the provisions of the Charter, the Covenant, and this Supplement, which shall hereafter encumber the title to such property and shall be binding upon all persons having any right, title, or any interest in such property, their respective heirs, legal representatives, successors, successors-in-title, and assigns. The provisions of this Supplement shall also be binding upon and benefit Wolf Ranch Owners Association, Inc., a Colorado nonprofit corporation, its successors and assigns (the "Association") and Wolf Ranch Community Council, Inc., a Colorado nonprofit corporation, its successors and assigns (the "Council"), in accordance with the terms of the Charter and the Covenant, respectively.

ARTICLE I
Definitions

The definitions set forth in Chapter I of the Charter are incorporated by reference in this Supplement.

ARTICLE II
Reservation of Development Rights

The Founder hereby reserves for itself, its successors and assigns, any Founder Affiliate, and any Builder it may designate, the right, during the Development and Sale Period, to record an amendment to this Supplement or the Charter and the plat referenced in Exhibit "A" to:

(a) create Units, Common Areas, and Limited Common Areas, and to designate roadways, within any portion of the Additional Property which it owns, subject to the limitation on the number of Units that may be created set forth in Section 3.1 of this Supplement;

(b) subdivide or combine any Unit or Units which it owns within the Additional Property in order to create larger or additional Units, Common Areas, and/or Limited Common Areas, subject to the

limitation on the number of Units in Wolf Ranch set forth in Section 17.1 of the Charter and subsection (b) above;

(c) convert any Unit which it owns within the Additional Property into Common Area, Limited Common Area, or roadways;

(d) adjust the boundaries of any Common Area or Limited Common Area within the Additional Property; and

(e) amend this Supplement to withdraw from the Community and the coverage of this Supplement any portion of the Additional Property that is unimproved. This right may be exercised separately as to each portion of the Additional Property that is the subject of a separately recorded subdivision map or plat; however, the right may not be exercised with respect to any property on a particular subdivision map or plat after a Unit shown on such map or plat has been conveyed to a Person other than a Builder. "Unimproved" means that no permanent structure has yet been completed on the property. Any such amendment shall not require the consent of any Person other than the Owner(s) of the property to be withdrawn, if not the Founder. If the property is Common Area, the Association shall consent to such withdrawal.

The rights described above may be exercised with respect to different portions of the Additional Property at different times. The Founder gives no assurances as to the boundaries of the parcels as to which it may exercise such rights, or as to the order in which the rights may be exercised with respect to different portions of the Additional Property. Any exercise of the development rights reserved in this Article shall be in accordance with the terms of C.R.S. §38-33.3-210.

ARTICLE III

Identification of Units and Reallocation of Allocated Interests

3.1 Identification of Units; Maximum Number. Each Unit, if any, within the Additional Property shall be identified by unique number in Exhibit A or on the recorded plat referenced in Exhibit A. Upon the exercise of the development right reserved under Article II to create Units within any portion of the Additional Property, or to subdivide any Unit previously created, a plat shall be recorded reflecting the boundaries and identifying number of each Unit so created, in addition to such other information as is required by C.R.S. §38-33.3-209. A maximum of 148 Units may be created within the Additional Property.

3.2 Reallocation of Allocated Interests. Upon the creation of additional Units within the Additional Property, the voting rights in the Association shall automatically be reallocated among all Units within the Community so that the vote assigned to each Unit is equal to that of each other Unit. Liability for Common Expenses shall automatically be reallocated among all of the Units as provided in Chapter 12 of the Charter.

ARTICLE IV

Additional Covenants, Restrictions and Easements

The recording data for any recorded easements and licenses appurtenant to the Additional Property or to which any portion of the Additional Property is or may become subject is set forth on Exhibit "A-1" of this Supplement.

Additional covenants, restrictions and easements, if any, applicable to the Additional Property are set forth in Exhibit "B" of this Supplement and shall be binding upon the owners and occupants of Units within the Additional Property, their guests and invitees, in addition to the provisions of the Charter and the Covenant.

ARTICLE V
Designation of Neighborhoods and Service Areas

Pursuant to Sections 3.2 and 3.4 of the Charter, the Additional Property shall be assigned to the Neighborhood(s) and Service Area(s), if any, specified on Exhibit A.

ARTICLE VI
Amendment

6.1. By Founder or Association.

The Founder and the Association shall have the right and authority to amend this Supplement in the same manner and to the same extent as they are authorized to amend the Charter pursuant to Article 21 thereof or the Act.

6.2. By Owners.

Except as otherwise specifically provided above, this Supplement may be amended only by the affirmative vote or written consent, or any combination thereof, of Owners of at least 67% of the Units within the Additional Property and the written consent of the Association, acting through its board of directors. In addition, during the Development and Sale Period, as defined in the Charter, the consent of the Founder shall be required.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

6.3. Validity and Effective Date.

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

If an Owner consents to any amendment to this Supplement, it will be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

Any amendment shall become effective upon recording, unless a later effective date is specified in the amendment. No action to challenge the validity of an amendment may be brought more than two years after its recordation. In no event shall a change of conditions or circumstances operate to amend any provisions of this Supplement.

[continued on next page]

EXHIBIT "A"

Additional Property

Real Property in the City of Colorado Springs, El Paso County, Colorado, and being more particularly described as the Lots shown in the plats of Parkwood at Wolf Ranch Subdivision Filing No. 1, 2, and 3, to be recorded in the Office of the Clerk and Recorder of El Paso County, Colorado;

Each of such Lots in Filings No. 1, 2 and 3 shall be subject to the Charter and the Covenant upon recordation of the plats thereof in the records of the Clerk and Recorder of El Paso County, Colorado.

All or a portion of the property described above is subject to the recorded easements and/or licenses described on Exhibit "A-1."

EXHIBIT "A-1"

Easements and Licenses

All those easements and rights of way shown or described on the recorded plats referenced on Exhibit "A"; and all matters of record affecting the property, including:

1. Reservation to the State of Colorado of all rights to any and all minerals, ores, or metals of every kind and character and all coal, asphaltum, oil, or other like substances in or under said land and the right of ingress and egress for the purpose of mining, together with enough of the surface of same as may be necessary for the proper and convenient working of such minerals and substances contained in Patent recorded January 16, 1923 in Book 290 at Page 244.
2. Terms, conditions, and provisions of Agreement between John Venezia, et al., and the City of Colorado Springs, pertaining to the annexation of the subject property to said City, dated October 7, 1982 and recorded December 10, 1982 in Book 3646 at Page 206. Ordinance No. 82-138 annexing the herein described property to the City of Colorado Springs recorded October 7, 1982 in Book 3619 at Page 807. Annexation Plat in relation thereto recorded in Book 3619 at Page 814.
3. The effects of and any tax, assessment, fee, charge or increase in mill levy resulting from the inclusion of the subject property in the Old Ranch Metropolitan District as disclosed by Order and Decree to Create District recorded November 19, 2002 at Reception No. 202203983.
4. Covenants, conditions, and restrictions which do not contain a forfeiture or reverter clause as contained in, and easements across the herein described parcel as provided for within, the Community Charter recorded October 29, 2003 at Reception No. 203254733, as modified by the First Amendment recorded June 7, 2004 at Reception No. 204094071 and the Supplements thereto recorded September 17, 2004 at Reception No. 204157746, recorded September 2, 2005 at Reception No. 205137160 and recorded January 4, 2006 at Reception No. 206000805. Any provisions therein regarding race, color, religion, sex or national origin are invalid and unenforceable under Federal law. (applies to all Lots)
5. Covenants, conditions, and restrictions which do not contain a forfeiture or reverter clause, as contained in Community Covenant for Wolf Ranch recorded October 29, 2003 at Reception No. 203254734, as modified by the First Amendment recorded June 7, 2004 at Reception No. 204094071, and the Supplements thereto recorded September 17, 2004 at Reception No. 204157746, recorded September 2, 2005 at Reception No. 205137160, and recorded January 4, 2006 at Reception No. 206000805. Any provisions therein regarding race, color, religion, sex or national origin are invalid and unenforceable under Federal law. (applies to all Lots)

6. Terms, conditions, and provisions of, and the easement(s) over the herein described parcel as described in, the Permanent Easement Agreement recorded July 23, 2003 at Reception No. 203169406. The location of said easement is set forth more particularly therein.
7. Terms, conditions, and provisions of, and the easement(s) over the herein described parcel as described in, the Permanent Easement Agreement recorded May 3, 2005 at Reception No. 205062611. The location of said easement is set forth more particularly therein.
8. The effects of and any tax, assessment, fee, charge or increase in mill levy resulting from the inclusion of the subject property in the Upper Cottonwood Creek Metropolitan District No. 2 as disclosed by Notice recorded May 3, 2006 at Reception No. 206064293, and Order and Decree to Create District recorded May 22, 2006 at Reception No. 206074021.
9. Terms, conditions, and provisions of, and the easement(s) over the herein described parcel as described in, the Permanent Easement Agreement recorded April 19, 2006 at Reception No. 206056737. The location of said easement is set forth more particularly therein.
10. Terms, conditions, and provisions of, and the easement(s) over the herein described parcel as described in, the Permanent Easement Agreement recorded August 2, 2006 at Reception No. 206113145. The location of said easement is set forth more particularly therein.
11. Notes and easements shown on the subdivision plat.
12. Taxes for the year 2004, and subsequent years; special assessments or charges not certified to the County Treasurer.

EXHIBIT "B"

Additional Covenants, Restrictions and Easements

The following Covenants, Restrictions and Easements shall apply to the Additional Property, in addition to the terms of the Charter and Covenant:

1. Residential Development. Unless otherwise approved by the Founder in a written, recorded document, the Additional Property may be developed only for residential purposes, according to the development plan of Parkwood at Wolf Ranch as approved by the City of Colorado Springs on June 15, 2006, not to exceed the maximum number of Units permitted pursuant to Section 3.1 of this Supplement. The approved development plan may not be amended without the approval of the Founder.

2. Neighborhood Association.

(a) Unless otherwise approved by the Founder in a written, recorded document, prior to the sale of any Unit within the Additional Property to any person other than a Builder:

(i) the Builder shall prepare and record a declaration of covenants, conditions, and restrictions or similar instrument which shall be binding on each Unit in the Additional Property in addition to the Charter and Covenant ("**Neighborhood Declaration**"), which Neighborhood Declaration shall be subject to the Founder's prior review and written approval, such approval not to unreasonably be withheld. The Neighborhood Declaration may not be amended without the approval of the Founder. If there is a conflict between the Neighborhood Declaration and the Charter or the Covenant, the Charter and Covenant shall control. The Founder shall have the right, but not the obligation, to enforce the terms of the Neighborhood Declaration; and

(ii) the Builder shall organize a mandatory membership owners association as a nonprofit corporation under Colorado law to administer and enforce the Neighborhood Declaration ("**Neighborhood Association**") and perform the responsibilities of the Neighborhood Association set forth in this Paragraph 2 and in the Neighborhood Declaration.

(b) The Neighborhood Declaration shall provide for the following:

(i) that the record owner of each Unit within the Additional Property shall automatically become a member of the Neighborhood Association referred to in paragraph (b) below upon taking title to the Unit and shall remain a member as long as he or she continues to hold title to the Unit; and

(ii) that the owners of Units in the Additional Property shall be responsible for paying to the Association in a timely manner all Base Assessments, Special Assessments and Service Area Assessments levied by the Association against Units within the Additional Property; and

(iii) that the Neighborhood Association shall be responsible for maintaining any common property and improvements intended to serve only Units within the Additional Property, in a neat and attractive manner consistent with the Community-Wide Standard for Wolf Ranch established pursuant to the Charter. Specifically, the Neighborhood Association shall be responsible for the maintenance of Tracts A, B, C, D and E, in Filing No. 1; Tracts C and D in Filing No. 2; and Tracts B, C, D, E, F and G in Filing No. 3; and

(iv) that any wood fences permitted by the Reviewer shall be maintained and painted at least every two years.