



**FIRST AMENDMENT**  
**TO**  
**COMMUNITY COVENANT FOR WOLF RANCH**  
**AND**  
**ESTABLISHMENT OF COMMUNITY ENHANCEMENT FEE**

This First Amendment to the Community Covenant for Wolf Ranch and Establishment of Community Enhancement Fee ("First Amendment") is executed as of the 1<sup>st</sup> day of June 2004 by Nor'wood Limited, Inc., a Colorado corporation ("Founder"), Wolf Ranch Community Council, Inc. ("Council") and Westcreek at Wolf Ranch, LLC, a Colorado limited liability company ("Westcreek").

**RECITALS**

The Community Covenant for Wolf Ranch was recorded in the records of the Clerk and Recorder of El Paso County, Colorado on October 29, 2003 at Reception No. 203254734.

The Community Charter for Wolf Ranch Residential Property ("Residential Charter") was recorded in the records of the Clerk and Recorder of El Paso County, Colorado on October 29, 2003 at Reception No. 203254733.

Pursuant to Section 4.3 (a) of the Community Covenant, the Founder may unilaterally amend the Community Covenant for any purpose during the Founder Control Period, as defined in the Residential Charter.

The Founder desires to amend portions of Section 2.2 of the Community Covenant.

Pursuant to Section 2.2 (a)(ii), the Board of the Council is authorized to set the amount of the Community Enhancement Fee at an amount not to exceed 0.25% of the gross selling price of a Unit.

The Council desires to establish the amount of the Community Enhancement Fee.

The specific amendments are as follows:

- Section 2.2 (a)(i) provides that the Community Enhancement Fee shall be payable by the seller of a Unit. Section 2.2 (a)(i) as amended

provides that the Community Enhancement Fee will be payable by the buyer of a Unit.

- Section 2.2 (a)(ii) provides that the Community Enhancement Fee may be established by the Council at an amount not to exceed 0.25% of the gross selling price of a Unit. The Board hereby establishes the amount of the Community Enhancement Fee at 0.1% of the gross selling price of a Unit, but in an amount not to exceed \$500.
- Section 2.2 (a)(iii) provides that the sale of a Unit by a builder is an exempt transfer. Section 2.2 (a)(iii) as amended provides that the sale of a Unit in Wolf Ranch by a builder pursuant to a contract signed prior to July 1, 2004 is an exempt transfer, but any Units sold by a builder pursuant to a contract signed on or after July 1, 2004 is not an exempt transfer. Thus the buyer of any Unit sold by a builder pursuant to a contract signed on or after July 1, 2004 will be required to pay the Community Enhancement Fee.

NOW THEREFORE:

1. Founder hereby amends portions of Section 2.2 of the Community Covenant to read as follows:

## **2.2. Council Funding**

### **(a) Community Enhancement Fee.**

**(i) Authority.** A primary source of funding for the Council's activities shall be a Community Enhancement Fee to be collected upon each non-exempt transfer of title to a lot, condominium unit, or other parcel of property subject to this Community Covenant (each of which are referred to as a "**Unit**" in this Community Covenant). The fee shall be charged to the buyer of the Unit, shall be payable to the Council at the closing of the transfer of title, and shall be secured by a lien in favor of the Council as provided in Section 2.2(f). Certain transfers of title are exempt from payment of the fee, as described in paragraph (iii) below.

**(ii) Amount of Fee.** The Board shall have the sole discretion to determine the amount of and method of calculating the Community Enhancement Fee, subject to the limitations described in this Section. The fee may be based upon a sliding scale that varies in accordance with the "gross selling price" of the property or any other factor the Board deems appropriate. However, the Community Enhancement Fee may not exceed 0.25% of the Unit's gross selling price. The gross selling price is the total cost to the purchaser of the Unit, excluding transfer taxes and title fees imposed by the City of Colorado Springs, El Paso County, and/or the State of Colorado.

**(iii) Exempt Transfers.** Notwithstanding the above, no Community Enhancement Fee shall be levied upon transfer of title to a Unit:

- by or to the Founder or any person or entity that controls, is controlled by, or is under common control with the Founder, or any person that is an owner, member, partner, or shareholder of the Founder, including Westcreek;
- by a builder designated by the Founder who held title solely for purposes of development and resale; provided that this exemption will only apply to a sale by a builder of a Unit in Wolf Ranch to a buyer pursuant to a contract for the sale of the Unit that was signed prior to July 1, 2004. For any sale by a builder of a Unit to a buyer pursuant to a contract for the sale of a Unit that was signed on or after July 1, 2004, the buyer of such Unit shall be required to pay the Community Enhancement Fee;
- by a co-owner to any Person who was a co-owner immediately prior to such transfer;
- to the Unit owner's estate, surviving spouse, or heirs at law upon the death of the Unit owner, or to a family trust created by the grantor for the benefit of grantor, his or her spouse, and/or heirs at law;
- to an entity wholly owned by the grantor; provided, upon any subsequent transfer of an ownership or beneficial interest in such entity, the Community Enhancement Fee shall become due;
- to an institutional lender pursuant to a Mortgage or upon foreclosure of a Mortgage; or
- under circumstances which the Board, in its discretion, deems to warrant classification as an exempt transfer (*e.g.*, a transfer made solely for estate planning purposes may be, but is not required to be, deemed exempt from payment of the Community Enhancement Fee).

In addition, the Founder and/or the Council may grant exemptions for transfers of Units to entities qualifying for tax-exempt status under Section 501(c) of the Internal Revenue Code provided that for a period of at least two years from the date of such transfer the property is used for exempt purposes listed in Section 501(c).

2. Establishment of Community Enhancement Fee. The Council hereby establishes the amount of the Community Enhancement Fee as 0.1% of the gross selling price of a Unit, but in an amount not to exceed \$500.

IN WITNESS of the foregoing, the Founder, the Council and Westcreek, have executed this First Amendment as of the 1<sup>st</sup> day of June, 2004.

**FOUNDER:**

**NOR'WOOD LIMITED, INC.,**  
a Colorado corporation

By: *Ralph A. Braden*  
Name: Ralph A. Braden  
Its: Vice President

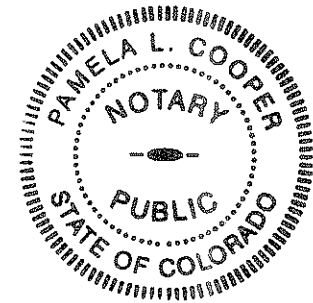
STATE OF COLORADO    )  
  )  
COUNTY OF EL PASO    )

The foregoing instrument was acknowledged before me this 1<sup>st</sup> day of June, 2004 by Ralph A. Braden as Vice President of Nor'wood Limited, Inc., a Colorado corporation.

Witness my hand and official seal.

*Pamela L. Cooper*  
Notary Public

My Commission expires: *January 31, 2006*



**WESTCREEK:**

**WESTCREEK AT WOLF RANCH, LLC,**  
a Colorado limited liability company  
By: Nor'wood Limited, Inc., a Colorado corporation,  
its manager

By: *Ralph A. Braden*  
Name: Ralph A. Braden  
Its: Vice President

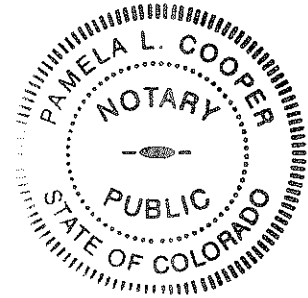
STATE OF COLORADO )  
 )  
COUNTY OF EL PASO )

The foregoing instrument was acknowledged before me this 1<sup>st</sup> day of June, 2004 by Ralph A. Braden as Vice President of Norwood Limited, Inc., a Colorado corporation, manager of Westcreek at Wolf Ranch, LLC, a Colorado limited liability company, on behalf of said limited liability company.

Witness my hand and official seal.

Pamela L. Cooper  
Notary Public

My Commission expires: January 31, 2006



**COUNCIL**

**WOLF RANCH COMMUNITY COUNCIL, INC.**

A Colorado non profit corporation

By: Ralph A. Braden  
Ralph A. Braden, President

STATE OF COLORADO )  
 )  
COUNTY OF EL PASO )

The foregoing instrument was acknowledged before me this 1<sup>st</sup> day of June, 2004 by Ralph A. Braden as President of Wolf Ranch Community Council, Inc., a Colorado non profit corporation.

Witness my hand and official seal.

Pamela L. Cooper  
Notary Public

My Commission expires: January 31, 2006

