

RECEPTION#: 196342, 10/23/2007 at 10:11:35 AM, 1 OF 6 PAGES, Total Fees: \$31.00 MICHELLE NAUER, OURAY COUNTY, CO. CLERK & RECORDER

RECEPTION#: 779820, 08/24/2007 at 03:17:43 PM, 1 OF 6, SUP R \$31.00 FRANCINE TIPTON-LONG, MONTROSE COUNTY, CO CLERK AND RECORDER

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STATE OF COLORADO  
COUNTY OF OURAY  
COUNTY OF MONTROSE

Indexing Note: Please index in grantee's index under "Cornerstone" and "Cornerstone Owners Association, Inc." and in grantor's index under "Cornerstone Montrose LLC"

THIS SUPPLEMENT TO THE COMMUNITY CHARTER FOR CORNERSTONE IS BEING RE-RECORDED FOR THE PURPOSE OF FILING IN BLANKS ON EXHIBITS.

Supplement to the  
Community Charter for Cornerstone  
(Imposition of Ditch Covenants and Easements)

THIS SUPPLEMENT is made by Cornerstone Montrose LLC, a Delaware limited liability company, its successors and assigns (the "Declarant").

Declarant is the developer of the planned community located in Ouray and Montrose Counties, Colorado, known as Cornerstone. Declarant executed and filed that Community Charter for Cornerstone, which was recorded on May 10, 2006, at Reception Number 191481, in the Office of the Clerk and Recorder of Ouray County, Colorado and also recorded on May 26, 2006, at Reception Number 755691, in the Office of the Clerk and Recorder of Montrose 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").

Pursuant to Section 18.3 of the Charter, Declarant may impose additional covenants and easements, in a Supplement, on property previously subjected to the provisions of the Charter.

The property described on Exhibit "A" to this Supplement (the "Subject Property") has previously been made subject to the provisions of the Charter. Declarant desire to impose additional covenants and easements on the Subject Property.

NOW, THEREFORE, Declarant hereby subjects the real property described on Exhibit "A" to this Supplement to the additional covenants and easements set forth in this Supplement, which shall apply to such property in addition to the provisions of the Charter. Such property shall be sold, transferred, used, conveyed, occupied, and mortgaged or otherwise encumbered pursuant to the provisions of this Supplement and the Charter, both of which shall run with 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.

CHAPTER 1  
Definitions

The definitions set forth in Chapter 1 of the Charter are incorporated by reference in this Supplement.

CHAPTER 2  
Additional Covenants and Easements

The additional covenants and easements set forth in Exhibit "B" of this Supplement shall apply to the Subject Property and shall be binding upon the owners and occupants of Homesteads within the Subject Property, their guests and invitees, in addition to the terms of the Charter.

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RECEPTION#: 782320, 10/19/2007 at 11:25:47 AM, 1 OF 6, SUP R \$31.00 FRANCINE TIPTON-LONG, MONTROSE COUNTY, CO CLERK AND RECORDER

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CHAPTER 3  
Amendment

3.1. By Declarant or Association.

The Declarant 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 Chapter 22 thereof.

3.2. 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 all of the Homesteads within the Subject Property and the written consent of the Association, acting through its board of directors. In addition, during the Development and Sale Period, the consent of the Declarant 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.

3.3. Validity and Effective Date.

No amendment may remove, revoke, or modify any right or privilege of the Declarant or without the written consent of the Declarant (or the assignee of such right or privilege). No amendment may eliminate or diminish those rights granted in Exhibit B hereto benefiting the Adjacent Property Owner (as defined in Exhibit B) without the prior written consent of such Property Owner.

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 one year after its recordation. In no event shall a change of conditions or circumstances operate to amend any provisions of this Supplement.

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In witness of the foregoing, the Declarant has executed this Supplement on the 13<sup>th</sup> day of  
August, 2007.

DECLARANT: CORNERSTONE MONTROSE LLC, a  
Delaware limited liability company

By: HRC-Montrose Development, L.P., a  
Delaware limited partnership  
Its: Managing Member

By: HRC-Montrose GP, L.L.C, a  
Delaware limited liability company  
Its: General Partner

for By: [Signature]  
Name: Lawrence A. Corson  
Its: Senior Vice President

STATE OF TEXAS )  
COUNTY OF DALLAS )

The foregoing instrument was acknowledged before me this 24<sup>th</sup> day of July, 2007 by  
Lawrence A. Corson, as the Senior Vice President of HRC-Montrose GP, L.L.C, a  
Delaware limited liability company, the general partner of HRC-Montrose Development, L.P., a Delaware  
limited partnership, the managing member of Cornerstone Montrose LLC, a Delaware limited liability  
company.

Witness my hand and official seal.

[Signature]  
Notary Public



My Commission expires: \_\_\_\_\_

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EXHIBIT "B"

Additional Covenants and Easements

The following additional covenants and easements shall apply to the Subject Property and shall be binding upon the owners and occupants of Homesteads within the Subject Property, their guests and invitees, in addition to the terms of the Charter.

1. Declarant has entered into that specific Ditch Agreement, Including Conveyance of Easements with PACIFIC/DESERT PARTNERS LLC, a Colorado limited liability company and HI MOUNTAIN LAKE RANCH, INC, a Colorado Corporation (collectively, "Adjacent Owner") recorded on 8/20/07 under Reception No. 195801, Ouray County, Colorado records and recorded on 8/24/07 under Reception No. 779819, Montrose County, Colorado records ("Ditch Agreement"). Adjacent Owner is the owner of easements for the "Paxton Ditch" and the "North Fork of the Paxton Ditch," as said ditches and easement rights with respect thereto may be relocated from time to time pursuant to the Ditch Agreement (collectively, the "Ditches"), which traverse real property that is part of the Community or is intended to be annexed to the Community as provided for under the Charter. To the extent that the Ditches are located within portions of the Community the property underlying the Ditches are expected to be conveyed to one or more of the MDs and shall be subject to the Adjacent Owner's rights set forth in the Ditch Agreement. Adjacent Owner has certain rights of access to the Ditches and has the right and obligation to repair, maintain, and operate the Ditches pursuant to the Ditch Agreement.

2. No Owner or occupant of a Homestead shall interfere with Adjacent Owner's rights pursuant to the Ditch Agreement.

3. No Owner or occupant of a Homestead shall place, deposit, throw, or dump any trash, grass clippings, petroleum products, fertilizers, herbicides, or other potentially hazardous or toxic substances in any of the Ditches or within 20 feet of the top bank of the Ditches for any area located uphill from the Ditches.

4. No Owner or occupant of a Homestead may modify any portion of the Ditches or construct, install, or maintain any fence, building, boulder, tree, gate, or other Improvement within any of the Ditches or the Ditch Easement Area, as such term is defined in the Ditch Agreement. No Owner or occupant of a Homestead may obstruct or impede the flow of water through the Ditches or divert any water from the Ditches by means of a pump, lateral or any other means. Adjacent Owner shall not be responsible to replacing any landscaping within the Ditch Easement Area; except that Adjacent Owner shall revegetate any disturbed area pursuant to the Ditch Agreement.

5. No Owner or occupant of a Homestead shall enter onto any of the Ditches and each Owner shall be responsible for ensuring that no occupant of a Homestead enters onto the Ditches. Each Owner and occupant of a Homestead further acknowledges and agrees that the easement rights granted under the Charter (to the extent applicable, if at all, to the Ditches) are subject to the Ditch Agreement and that any entry onto the Ditches may constitute a trespass.

6. While the Ditches may be located within real property owned by the Declarant, the Association or one of the MDs, the Ditches are not owned by, nor to be repaired, maintained and operated by any of such parties except as specifically provided for in the Ditch Agreement. None of the Association, the Declarant, the MDs, or the members, partners, affiliates, officers, directors, agents, or employees of any of the foregoing (collectively, the "Cornerstone Parties") shall have any duty to take action to ensure the safety of any Person or property with respect to the Ditches.