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F LONG CLK&REC MONTROSE, CO SUP R 21.00

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"

RECEPTION#: 193552, 12/05/2006 at 02:03:09 PM, 1 OF 4 PAGES, Total Fees: \$21.00
MICHELLE NAUER, OURAY COUNTY, CO. CLERK & RECORDER

**Supplement to the
Community Charter for Cornerstone
(Ouray County Phase II)**

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 18.1 of the Charter, the Declarant reserved the right to expand the Cornerstone community by recording one or more Supplements submitting to the terms of the Charter all or any portion of the additional property described on Exhibit "B" to the Charter. Any such Supplement requires the consent of the owner of the property being submitted, if other than the Declarant.

The property described on Exhibit "A" to this Supplement (the "**Additional Property**") is identified on Exhibit "B" to the Charter. Declarant, as the owner of the Additional Property, desires to submit the Additional Property to the terms of the Charter.

NOW, THEREFORE, Declarant hereby submits the real property described on Exhibit "A" to this Supplement to the provisions of the Charter 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 Cornerstone Owners Association, Inc., a Colorado nonprofit corporation, its successors and assigns (the "**Association**") in accordance with the terms of the Charter.

**CHAPTER 1
Definitions**

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



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CHAPTER 2
Amendment

2.1. 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.

2.2. 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 Homesteads 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 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.

2.3. 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).

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.

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In witness of the foregoing, the Declarant has executed this Supplement on the 4th day of DECEMBER, 2006.

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

By: B. Wallin
Name: BRIAN WALLIN
Its: AUTHORIZED REPRESENTATIVE

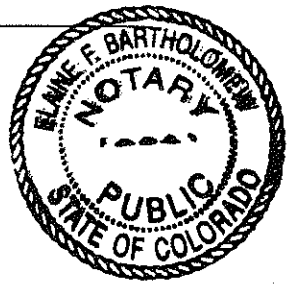
STATE OF COLORADO
COUNTY OF CURRY

The foregoing instrument was acknowledged before me this 4th day of Dec, 2006 by BRIAN WALLIN, as the AUTHORIZED REP 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
Elaine F. Bartholomew
Notary Public

My Commission expires: _____

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My Commission expires: 04/21/07



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EXHIBIT "A"
Additional Property

All that certain real property and improvements thereon as the same are depicted and/or described on the Cornerstone - Final Development Plan and Final Plat for Phase II recorded on December 5, 2006 in Reception No. 193551 with the Clerk and Recorder for Ouray County, Colorado, as amended or supplemented.