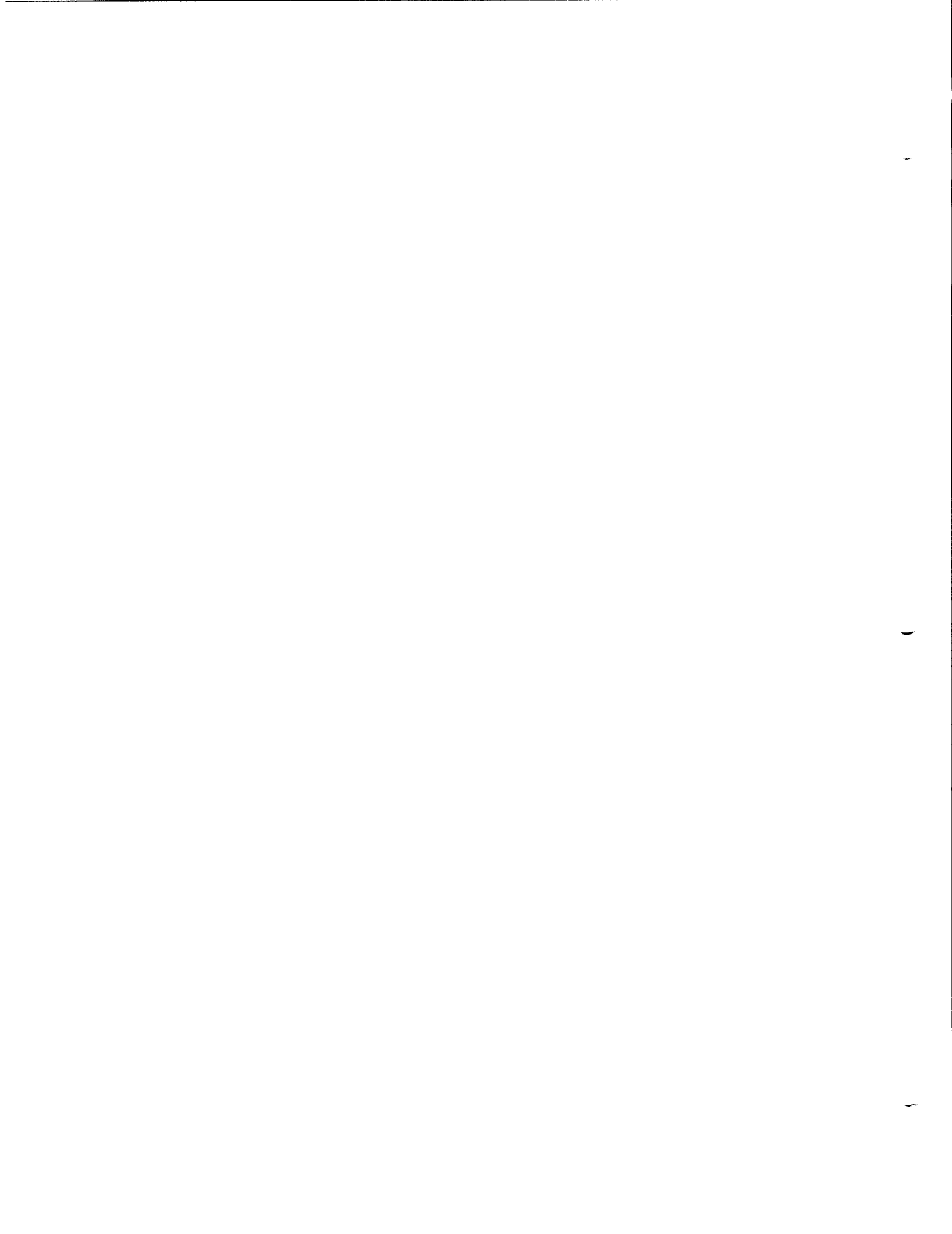




STONE CANYON



**DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR STONE CANYON RANCH**

THIS DECLARATION is made and declared this 10th day of January 2006,
by Monument Land Development, LLC and Holt Homes, Inc., hereinafter referred to as
"Declarants."

RECITALS

A. Declarants are the owners of certain real property situate in Mesa County, Colorado
described below, hereinafter referred to as the "Property":

A parcel of land situated in the SW 1/4 of the NW 1/4 of Section 16, Township 11 South,
Range 101 West of the 6th Principal Meridian, County of Mesa, State of Colorado, more
fully described as follows:

Beginning at the W 1/4 corner of said Section 16, and considering the south line of the
SW 1/4 of the NW 1/4 of said Section 16 to bear N 89°33'29" E, with all other bearings
contained relative thereto;

- Thence N 01°48'15" E, 937.78 feet;
- Thence S 82°59'45" E, 510.90 feet;
- Thence N 52°15'15" E, 154.80 feet;
- Thence N 42°40'15" E, 276.62 feet;
- Thence S 81°58'45" E, 14.00 feet;
- Thence N 42°40'15" E, 11.47 feet;
- Thence S 51°55'38" E, 255.32 feet;
- Thence S 30°23'43" E, 296.64 feet;
- Thence S 21°20'54" E, 253.20 feet;
- Thence S 00°42'07" W, 414.98 feet;
- Thence S 48°08'37" E, 29.78 feet
- Thence S 01°27'04" W, 85.48 feet; and
- Thence S 89°33'29" W, 1326.37 feet to the point of beginning

B. Declarants desire to develop and improve the Property as a planned community as defined
in section 38-33.3-103(22),C.R.S., under the name and style of Stone Canyon Ranch and
subject the same to the covenants, conditions and restrictions hereinafter set forth.

NOW, THEREFORE, Declarants hereby make the following declaration of covenants,
conditions and restrictions:

ARTICLE I
DEFINITIONS

1.1 "Act" shall mean and refer to the Colorado Common Interest Ownership Act, section 38-33.3-101, et seq., C.R.S., as presently existing or subsequently amended, including any successor statute.

1.2 "Allocated Interests" shall mean and refer to the common expense liability and the ownership interest and votes in the Association as set forth in Sections 4.3.B and 5.2 of this Declaration.

1.3 "Architectural Control Committee" or "ACC" shall mean and refer to the Architectural Control Committee referred to in this Declaration.

1.4 "Articles" shall mean and refer to the Articles of Incorporation of Stone Canyon Ranch Homeowners Association, Inc.

1.5 "Association" shall mean and refer to Stone Canyon Ranch Homeowners Association, Inc., a Colorado nonprofit corporation, formed for the purpose of performing the duties and responsibilities and exercising the powers set forth in this Declaration, the Articles, Bylaws or the Act.

1.6 "Board" shall mean and refer to the Executive Board of the Association.

1.7 "Building" shall mean and refer to any Building, including all fixtures and improvements thereto, situate on the Property.

1.8 "Bylaws" shall mean and refer to the Bylaws of the Association.

1.9 "Common Elements" shall mean and refer to that portion of the Property designated as Common Elements or Common Area on the Plat and owned by the Association for the benefit of the Owners, including any Improvements thereto.

1.10 "Declarants" shall mean and refer to Monument Land Development, LLC and Holt Homes, Inc.

1.11 "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions.

1.12 "Development Rights" shall mean and refer to any right or combination of rights reserved by Declarants as set forth in Article VII of the Declaration.

1.13 "Improvements" shall mean and refer to any and all Buildings, parking areas, fences, screening fences, retaining walls, stairs, decks, hedges, windbreaks, plantings, trees, shrubs, berms, ponds, signs, objects of art, mailboxes, irrigation facilities such as pumps, pipelines, drip lines and sprinklers and other structures or landscape of every type and kind situate on the Property.

1.14 "Lot" shall mean and refer to that part of the Property shown on the Plat as a Lot. Additional Lots may be created by Declarants as provided in Article VII below.

1.15 "Member" shall mean and refer to a Person or entity which is a member of the Association.

1.16 "Mortgagee" shall mean any Person holding a recorded mortgage or deed of trust to secure a debt or other obligation.

1.17 "Owner" shall mean and refer to the record owner, whether one or more Persons or entities, of fee simple title to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

1.18 "Person" shall include one or more individuals or entities, as the context of the Declaration requires.

1.19 "Plat" shall mean and refer to that certain plat of the Property recorded (or to be recorded) in the Mesa County Clerk and Recorder's official records. The Plat is incorporated herein by this reference.

1.20 "Property" shall mean and refer to the real property in Mesa County, Colorado described in the Recitals above.

1.21 "Subdivision" shall mean and refer to Stone Canyon Ranch residential subdivision in Mesa County, Colorado.

ARTICLE II
GENERAL DECLARATION

2.1 Intent. The purpose of this Declaration is to enhance, perfect and preserve the value, desirability and attractiveness of the Property and the Common Elements, Improvements and Buildings situate thereon in a manner beneficial to all Owners and subject to the Act.

2.2 Owners' Rights to Common Elements. Every Owner shall have a right and easement of enjoyment in and to the Common Elements which shall be appurtenant to and shall pass with the

title to every Lot subject to the provisions of this Declaration, the Articles and Bylaws of the Association and any rules and regulations promulgated by the Association. Any Owner may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Elements and facilities for the members of his family, his tenants, or occupants who reside on his Lot.

2.3 Estate Subject to Declaration. Declarants do hereby subject the Property to the provisions of the Declaration. All easements, restrictions, conditions, covenants, reservations, liens, charges, rights, benefits, and privileges which are granted, created, reserved or declared by this Declaration or depicted on the Plat shall be deemed to be covenants appurtenant to, touching and concerning and running with the land and shall at all times inure to the benefit of and be binding upon any Person having at any time any interest or estate in the Property, and their respective heirs, successors, representatives or assigns. All deeds, leases, mortgages, deeds of trust, other evidence of obligation or any other instrument affecting or purporting to affect any interest in or to the Property shall be subject to the provisions of this Declaration and the Plat, and all of the easements, restrictions, conditions, covenants, reservations, liens, charges, rights, benefits and privileges which are granted, created, reserved or declared therein as though fully and completely set forth in their entirety without the requirement of any specific reference to the Declaration or the Plat.

ARTICLE III RESTRICTIONS ON USE

3.1 Building Restrictions.

A. Residential Use. No Lots shall be used or occupied except for single-family residential purposes. Only single-family dwellings, a private garage, and other outbuildings directly incidental to residential use shall be erected, altered, placed or permitted to remain on any Lot. At no time shall there be more than one single family residential Building situate upon any Lot.

B. New Construction. Only new, site-built Buildings shall be permitted within the Property and no Building for occupancy shall be moved upon the Property. Further, no temporary Building or structure of any type whatsoever shall be used at any time for a residence, either temporary or permanent. No manufactured homes, mobile homes, trailer homes or other moveable structures shall be permitted as dwellings within the Property.

C. Minimum Square Feet. The ground floor area of the primary dwelling Building on any Lot, exclusive of porches, decks, patios, basement and garage, shall not be less than three thousand hundred (3,000) square feet, outside measurement.

D. Garages. An enclosed garage shall be required for all residential Buildings and shall be designed for a minimum of three (3) passenger vehicles and contain a minimum

area of seven hundred fifty (750) square feet. All garages shall be enclosed and attached to a residential structure by way of a shared structural wall. Detached garages and covered carports shall not be permitted.

E. Set Backs. The Subdivision is located in Mesa County. All buildings shall meet or exceed setbacks established by applicable Mesa County ordinance.

F. Occupancy. No structure of a temporary character, trailer, teepee, basement, tent, shack, garage, barn or other outbuilding shall be used on any Lot at any time as a residence, either temporarily or permanently.

G. No Re-subdivision. Except for Development Rights reserved by Declarants, the re-subdivision of Lots into smaller Lots or combining Lots into a larger is prohibited.

H. Building Envelopes. All Buildings and accessory Buildings shall be constructed within any building envelope if shown on the Plat.

I. Sewage Disposal Systems. On-site sewage disposal systems (ISDS) for all Lots shall be required to be designed and certified by a qualified engineer licensed in the State of Colorado and so noted on the final site plan.

J. Foundations. All house foundations for all Lots shall be designed and certified by a qualified engineer licensed in the State of Colorado and so noted on the final site plan.

K. Structure Height. Structures on Lots 1, 7, 9, 10 and 11 shall be limited to a maximum height of twenty-five (25) feet above existing grade as measured per section 6.2.8 of the Mesa County Land Development Code. All other Lots of the Subdivision shall be subject to the height restriction of the appropriate zone district.

L. Perimeter Fencing. Perimeter fencing shall be limited to split rail or similar type rail fencing, and no solid fencing shall be allowed for all Lots.

M. Yard Lighting. Yard lighting shall be limited to low level lighting (six (6) feet or lower) on all Lots of the Subdivision, and no street lighting is allowed within the Subdivision.

N. Surface Alteration Permit. All work in the right of way of the road shown on the Plat shall require a Surface Alteration Permit issued by the jurisdiction administering the road system, and no alteration is to be done to the roadside ditches without the proper authorization.

3.2 Maintenance of Lots, Buildings and Improvements.

A. General. The Owners shall keep, maintain and repair their Lots, Buildings and Improvements situated thereon, including any fencing or landscape Improvements installed by the Declarants in a neat, clean, cultivated, attractive and well maintained condition, free from the accumulation of trash or debris or visual deterioration. The Owners shall repair and maintain any fencing on the common boundary with other Owners, including fencing installed by the Declarants, and the costs and expenses therefore shall be shared equally between the Owners with the common boundary. If any Owner shall fail or refuse to contribute to such Owner's share of the maintenance and repair expenses of the common boundary fencing, then the other Owner may make undertake such repairs and maintenance and recover the costs and expenses therefore from the non-paying Owner.

B. Trash. No Lot shall be used as a dumping ground for rubbish. No garbage, rubbish or trash shall be allowed to accumulate on any Lot. All garbage, rubbish and trash shall be placed and kept in covered containers. All containers shall be kept within garages or enclosed backyards so as to not be visible from neighboring property, except to make the same available for collection during regular trash collection days.

C. Association's Authority. In the event any Owner fails to keep, maintain or repair such Owner's Lot or the Building(s) or Improvement(s) situated thereon, including landscape and fence Improvements installed by the Declarants, in accordance with this section, then the Association shall be authorized to conduct such maintenance, repairs or restoration and assess the cost thereof to the Owner(s) on whose Lot or for whose benefit such maintenance or repairs were conducted as a reimbursement assessment pursuant to Section 5.4 hereof.

3.3 Home Occupations, Offensive Activities and Unlawful Conduct.

A. Commercial Purposes. No Lot or Building may be used for commercial purposes of any type whatsoever excepting for home occupations. For purposes of this section, "home occupations" shall mean, an occupation by the resident conducted entirely within the residential building which does not entail the employment of third persons on the premises, does not entail the delivery of goods or services to customers upon the premises, and does not entail visits by clients, customers or patrons to the premises. For example, but not by limitation, an insurance agent may use his residence as a personal office so long as his customers are not permitted to come to the residence; however, the establishment of a barber shop or a beauty shop would be prohibited.

B. Offensive Activities. No loud, obnoxious, offensive, or other activity which would constitute a public or private nuisance or annoyance to the neighborhood shall be permitted. The Board shall have authority to determine if any activity constitutes a violation of this section.

C. Unsafe and Illegal Activities. No activities shall be conducted on any of the Lots or on any part of the Property, including the Common Elements, which are or might be unsafe or hazardous to any Person or property, or which are unlawful under federal, state or local statute, ordinance, rule or regulation.

3.4 Restrictions on Occupants and Pets.

A. One Family Occupancy. At no time shall any single family residence be occupied by more than one family unless approved by the Association.

B. Domestic Pets. The Owners may keep or maintain only a reasonable number of domestic household pets on any Lot; provided, however, no household pets shall be kept or maintained for any commercial purpose. No household pet may be kept or maintained on any Lot which is or becomes a nuisance or annoyance to the Owners of other Lots. Household pets shall be contained on their Owner's Lot or on a leash and not permitted to run loose. At the request of any Owner, the Association shall determine, in its sole discretion, whether a pet shall be considered a nuisance, or whether the number of any such pets on any Lot is unreasonable. No horses, cows or other livestock of any type shall be kept on any Lot. Household pets shall be under the physical or voice control of their owners at all times.

3.5 Parking.

A. Parking and Storage of Motor Vehicles. No Lot, street or easement shall be used for the parking or storage of any motor vehicles or motor vehicles under repair except that cars and trucks incidental to residential family use may be parked or stored within a garage or on the driveway to the garage; provided, however, nothing contained herein shall preclude the street parking of motor vehicles for members of a volunteer fire department or an emergency service provider pursuant to section 38-33.3-106.5(d), C.R.S.

B. Recreational Vehicles. Recreational vehicles, boats, campers, trailers, snowmobiles and other vehicles used for business or commercial purposes (other than passenger automobiles) shall only be stored on a Lot if placed within a garage or in an Architectural Control Committee-approved outbuilding situated behind the front setback line of the Lot, but no closer than the front of the principal dwelling Building on the Lot. No recreational vehicles, boats, trailers, trucks or other vehicles or equipment shall be parked

or stored on any street except for service vehicles or trucks and Persons visiting the Lot occupants on a temporary basis not to exceed 48 hours.

3.6 Landscape Requirements.

A. General Requirements. Each Owner shall landscape the front and back yards of such Owner's Lot within nine (9) months following issuance of the certificate of occupancy for the principal dwelling Building constructed on such Lot. All Owners shall be required to install automated underground sprinkler and/or drip line systems to irrigate lawns, ornamental shrubs and trees. In the event any Lot Owner shall fail to landscape the Lot as provided herein, then the Association may, in its sole discretion, cause such landscaping to be completed at the Owner's expense, and assess such Owner for such costs under Article 5.4.

B. Landscape Plans. A landscape plan shall be submitted to, and approved by, the ACC prior to the placement of any landscape on a Lot. The landscape plans may be shown on the same set of plans as the building plans, providing the location of all landscape features are clearly shown. All landscape plans shall conform to the Stone Canyon Ranch Landscape Design Guidelines adopted or amended by the ACC from time to time. The ACC may require an Owner to escrow a cash deposit, letter of credit or other security acceptable to the ACC for holding, release, distribution or application according to guidelines to insure completion of such landscape as submitted to and approved by the ACC.

C. Maintenance. All vegetation shall be properly cultivated, watered and neatly trimmed. Each Owner is responsible for weed control on their Lot. Owners shall be responsible for the operation, maintenance and repair of the sprinkler system and related facilities installed within their Lot. If, after written notice from the Association of the need to conduct weed control or maintain vegetation or sprinkler systems, and the Owner does not perform such activities, then the Association may do so at the Owner's expense and assess such Owner therefor under Article 5.4.

ARTICLE IV THE ASSOCIATION

4.1 General Powers. The Association shall have and may exercise all of the powers and duties of a Colorado corporation formed under the Colorado Revised Nonprofit Corporation Act, including the powers provided in the Act, subject only to the limitations set forth in this Declaration. The Association's general purpose is to be and constitute the entity to further the mutual interests of the Declarants and the Owners pursuant to this Declaration, the Articles and Bylaws and the Act.

4.2 Directors of the Association. The affairs of this Association shall be managed by a Board of three (3) persons; provided, the Association, acting through its Board, may enlarge the number of directors, but not to exceed seven (7). Directors shall meet the qualifications described in the Articles of Incorporation and Bylaws of the Association.

4.3 Membership and Voting Rights.

A. Membership. By acceptance of a deed to a Lot, each Owner shall be a member of the Association. A membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

B. Voting. The Association shall have one class of voting membership, each Owner being entitled to vote one vote for each Lot owned upon matters subject to vote by the Members as provided in the Articles and Bylaws of the Association. A vote for each Lot shall be exercised as the Owner determines, but in no event shall more than one vote be cast with respect to any Lot.

C. Declarants' Control. From date of formation of the Association until the termination of Declarants' control as provided below, Declarants shall have the right to appoint and remove all members of the Board and all officers of the Association. The period of Declarants' control of the Association shall terminate upon the first to occur of either sixty (60) days after conveyance of seventy-five percent (75%) of the Lots to Owners other than Declarants or two (2) years after the last conveyance of a Lot by Declarants in the ordinary course of business. Declarants may voluntarily surrender the right to appoint and remove officers of the Association and members of the Board before termination of the period of Declarants' control, but in that event Declarants may require, for the duration of the period of Declarants' control, that specified actions of the Association or Board, as described in a recorded instrument executed by Declarants, be approved by Declarants before they become effective. Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Lots to Owners other than Declarants, at least one member and not less than twenty-five percent (25%) of the members of the Board must be elected by Owners other than Declarants. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Lots to Owners other than Declarants, not less than thirty-three and one-third percent (33%) of the members of the Board must be elected by Owners other than Declarants. Within sixty (60) days after Owners other than Declarants elect a majority of the Board, Declarants shall deliver to the Association all property of the Owners and the Association held or controlled by Declarants, including, without limitation, those items specified in the Act.

4.4 Limitation Upon Liability.

A. Indemnification of Officers and Board Members. Neither the Association, any member of the Board, any officer of the Association, any member of the ACC, nor any agent or employee of the Association, shall be liable to any Owner or other Person or entity for any action or any failure to act with respect to any matter, provided the action taken or failure to act was in good faith and without willful or intentional misconduct. The Association shall indemnify and hold harmless any member of the Board, any member of the ACC, any officer of the Association or any agent or employee of the Association from any and all reasonable costs, damages charges, liabilities, obligations, fines, penalties and claims, demands, or judgments and any and all expenses, including, without limitation, attorneys' fees, incurred in the defense or settlement of any action arising out of or claimed on account of any act, omission, error or negligence of such Person or of the Association, the Board, the ACC or any committee of the Association, provided that such Person has acted in good faith and without willful or intentional misconduct.

B. Limitation Upon Liability of Association. Notwithstanding the duty of the Association to maintain and repair the Common Elements and other portions of the Property as authorized in the Declaration, the Association shall not be liable for bodily injury, property damage or death to any Person caused by any hazardous or dangerous physical condition of the Common Elements which is not known, or would not be known in the exercise of reasonable diligence, by the Association, or the acts or omissions of any other Owner or other Person causing such personal bodily injury, property damages or death.

4.5 Association Insurance. Commencing not later than the time of the first conveyance of a Lot to an Owner other than the Declarant, the Association shall maintain, to the extent reasonably available:

A. Property Insurance. Property insurance on the Common Elements for broad form covered causes of loss; except that the total amount of insurance must not be less than the full insurable replacement cost of the insured property less applicable deductibles at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations and other items normally excluded from property insurance policies.

B. Commercial General Liability Insurance. Commercial general liability insurance against claims and liabilities arising in connection with the ownership, existence, use or management of the Common Elements in such amounts deemed sufficient in the judgment of the Board insuring the Board, the Association, any management and their respective employees, agents and all Persons acting as agents. The Declarants shall be included as additional insureds in the Declarants' capacity as Lot Owners and/or Board members. The Lot Owners shall be included as additional insureds but only for claims and

liabilities arising in connection with their use of the Common Elements. The insurance shall cover claims of one or more insured parties against other insured parties.

C. Insurance Requirements. The insurance policies carried pursuant to subsections Section 4.5.A and B must provide that:

(1) Each Owner is an insured Person under the policy with respect to liability arising out of such Owner's interest in the Common Elements or membership in the Association;

(2) The insurer waives its rights to subrogation under the policy against any Owner or member of his household;

(3) No act or omission by any Owner, unless acting within the scope of such Owner's authority on behalf of the Association, will void the policy or be a condition to recovery under the policy; and

(4) If, at the time of a loss under the policy, there is other insurance in the name of an Owner covering the same risk covered by the policy, the Association's policy provides primary insurance.

D. Workers' Compensation and Unemployment Insurance. The Association shall purchase and maintain workers' compensation and unemployment insurance upon employees of the Association as required by statute.

E. Fidelity Insurance. To the extent required by the Act, or to the extent desired by the Association in its discretion, the Association shall or may purchase and maintain, to the extent reasonably available, fidelity insurance. When mandated by the Act, fidelity insurance shall comply with the Act; provided, however, if not required by the Act, fidelity insurance shall be procured in an amount deemed reasonable and necessary in the sole discretion of the Association.

F. Other Insurance. Such other insurance as the Board may deem desirable for the benefit of the Owners.

4.6 Common Elements. The ownership, maintenance, repair and restoration of the Common Elements, together with Improvements thereon, shall be vested solely in the Association. The costs and expenses incurred for the purpose of owning, maintaining, repairing and restoring the Common Elements and Improvements thereon shall be borne by the Owners as a regular assessment as provided in Article V hereof.

4.7 Irrigation Water.

A. Ownership and Regulation. All irrigation water to be furnished to the Lots shall be owned and furnished by the Association. The Association shall have the right to limit the use of irrigation water as it determines in its sole discretion to the Lots and may institute and enforce rules regarding which days and which times irrigation water may be used for any given Lot.

B. Association Irrigation Facilities. The irrigation facilities to be owned and operated by the Association shall consist of a water storage facility, a system of pipes, pipelines, pumps, electrical connections, sprinklers, drip lines and related facilities so as to distribute irrigation water to the Lots and Common Elements. The irrigation facilities, including any easements in connection therewith, shall be solely owned, operated and maintained by the Association. It shall be the obligation of the Association to own, operate, maintain and repair the irrigation facilities distributing water to all Lots and the Common Elements.

C. Use of Easements. The Association may use any easement across the Common Elements and across the Lots where designated on the Plat to operate, maintain, and repair the irrigation facilities, including but not limited to, easements designated for irrigation, recreation, utility or general purposes.

D. Assessment. The cost of the operation, maintenance and repair of the Association's irrigation facilities and irrigation water shall be a regular assessment to all of the Owners under Article 5.2.

ARTICLE V
ASSESSMENTS

5.1 Owner's Obligation. By accepting a deed to any Lot, each Owner agrees to pay to the Association all the assessments levied by the Association from time to time as provided in the Declaration, the Articles and Bylaws. Such assessments, together with interest accruing thereon and the costs of collection in the event of a delinquency of payment, shall be the personal obligation of the Person who is the Owner, or the Persons who are jointly and severally the Owner, at the time the assessment was made.

5.2 Regular Assessments.

A. Determination. At least thirty (30) days prior to the commencement of each fiscal year, the Board shall estimate the cost and expenses to be incurred by the Association during such fiscal year in performing its functions, and shall subtract from such estimate an

amount equal to the anticipated balance (exclusive of any reserves) in the operating fund at the start of such fiscal year which is attributable to the operation and maintenance assessments for the prior fiscal year. The annual assessments made for common expenses shall be based upon the advance estimate of the cash requirements by the Association to provide for the payment of all common expenses growing out of or connected with the maintenance and operation of the Common Elements, which sums may include, among other things, expenses of management, taxes and special assessments, premiums for all insurance which the Association is required or permitted to maintain, landscaping and care of grounds, common lighting and heating, repairs and renovations, legal and accounting fees, management fees, expenses and liabilities incurred by the Association under or by reason of this Declaration, the Articles of Incorporation and the Bylaws of the Association, any deficit remaining from a previous assessment, the creation of a reasonable contingency or other reserve or surplus fund and any other expenses and liabilities which may be incurred by the Association for the benefit of the Owners. Subject to Section 5.2.B. hereof, the sum or net estimate so determined shall be allocated to the Owners by dividing the total estimate by the total number of single family residential Lots and assessing the resulting amount to the Owner of each Lot equally. Assessments shall be paid in one (1) or more installments and be due on such date(s) as the Association shall determine.

B. Notice. Within ten (10) days after adoption of any proposed budget for the Association, the Board shall mail, by ordinary first-class mail, or otherwise deliver a summary of the budget to all the Owners and shall set a date for a meeting of the Owners to consider ratification of the budget not less than fourteen (14) nor more than sixty (60) days after mailing or other delivery of the summary. Unless at that meeting a majority of all Owners reject the budget, the budget is ratified, whether or not a quorum is present. In the event that the proposed budget is rejected, the periodic budget last ratified by the Owners must be continued until such time as the Owners ratify a subsequent budget proposed by the Board.

5.3 Special Assessments. If at any time during the fiscal year the regular assessment proves inadequate for any reason, including nonpayment of any Owner's share thereof, the Board may levy a special assessment in the amount of such actual or estimated inadequacy. The special assessment shall be assessed to the Owners by dividing the total estimate by the total number of residential Lots and assessing the resulting amount equally to the Owner of each Lot, such assessment to be paid either in equal monthly installments over the balance of the remaining fiscal year, or in a lump sum upon billing as the Board shall determine.

5.4 Reimbursement Assessment. The Association may levy an assessment against any Owner or Owners as a result of such Owner's failure to comply with the Declaration including, but not limited to, failure to landscape such Owner's Lot and failure to repair, maintain or restore the Improvements and Buildings situated on such Owner's Lot including landscape or fence

Improvements installed by the Declarants. Such assessment shall be for the purpose of reimbursing the Association for its reasonable and necessary costs and expenses paid or incurred for such purposes and shall be due and payable to the Association when levied, or at such time or times as the Association shall determine.

5.5 Reserve Fund. The Association may establish a reserve fund for the maintenance, repair and replacement of the Common Elements. The amount of such fund shall be determined by the Association and shall be funded through annual payments of the common assessments and shall be held by the Association in a separate account, which may be an interest-bearing account, to be held in trust for the Owners for such purposes.

5.6 Capital Improvements. In addition to regular and special assessments, the Association may levy, in any assessment year, a special assessment for the purposes of defraying in whole or in part the cost of any capital Improvement upon the Common Elements, including fixtures, landscaping or personal property related thereto, provided that such assessment shall have the assent of a majority of the members of the Association subject to the assessment.

5.7 Enforcement. In addition to any other enforcement action authorized by the Act, in the event any assessment is not paid when due, the Association may enforce payment of such obligation by any or all of the following remedies:

A. Acceleration. The Association may elect to accelerate and declare immediately due and payable the remaining balance of any regular or special assessments payable in installments for such fiscal year.

B. Costs of Collection and Attorney's Fees. The Association may bring a suit at law to collect the delinquent assessments, including any accelerated assessment. Any judgment rendered in such action shall include a sum for the Association's costs of suit, including a reasonable attorney's fees.

C. Lien. All delinquent assessments shall be and constitute a statutory lien upon the Owner's Lot in addition to being the personal obligation of the Owner. Such lien shall have the priority and shall be enforced in accordance with section 38-33.3-316 of the Act.

D. Late Charge. The Association may add a late charge of five percent (5%) to any assessment not paid when due.

E. Fines. The Association may impose a fine against an Owner for non-compliance with the Declaration subject to the circumstances and conditions permitted by the Act.

5.8 Out-of-State Owners Who Are Not Occupants. In the event an Owner shall not occupy his residence and shall further maintain his principal residence outside of the State of Colorado, the Board may, to insure and guarantee payment of the assessments provided herein, require such out-of-state Owner who does not occupy his residence to:

A. Bond. Post a surety bond with the Association indemnifying the Association against the default of such Owner in the payment of any assessment levied herein, the amount of such surety bond to be twice the amount of the regular assessment for the preceding fiscal year; or

B. Advance Payment. Pay the regular assessment pursuant to Section 5.2 hereof in advance by the 10th day of the first month of the fiscal year.

ARTICLE VI ARCHITECTURAL CONTROL COMMITTEE

6.1 Establishment of the ACC. The Association shall appoint up to three persons, each of whom shall be a representative of the Declarants or an Owner of a Lot, and each of whom shall be appointed and removed by the Board from time to time in their discretion. The ACC and the members thereof shall not be liable for damage to any Person submitting requests for approval or to any Owner within the Property by reason of any action, failure to act, approval, disapproval, or failure to approve or disapprove with regard to such request. The actions of the ACC shall be deemed conclusively binding upon the Owners.

6.2 Guidelines and Standards. The ACC shall establish rules, procedures and design standards and guidelines governing the review and approval of all Buildings and Improvements proposed for new construction or the restoration or modification of existing Buildings or Improvements within the Subdivision. The design standards and guidelines may be amended from time to time as the ACC deems reasonable or necessary.

6.3 Submission of Plans and Application. Prior to the commencement of any construction or installation of new or modifications to an existing Building or Improvement, the Owner shall submit such plans, designs, drawings, specifications and samples in such number as the ACC shall require pursuant to its design standards and guidelines, which may include, but are not limited to, construction plans and specifications, including floor plan and exterior elevations; site plan of house to be built on the Lot; sample of exterior colors; sample of trim and soffett colors; sample of roof shingle; landscape plan including automated sprinkler system, drainage, grading and vegetation; and, application for ACC approval in the form required by the ACC. Landscape plans shall be submitted prior to the issuance of the certificate of occupancy for new landscape installations.

6.4 Content of Plans. All plans submitted to the ACC shall contain sufficient detail to allow the ACC to determine compliance with its design standards and guidelines. The ACC may request additional detail, drawings or other documentation in its discretion.

6.5 Approval of Plans. The ACC shall issue approval of any plans submitted only if it determines that such plans comply with the ACC's design standards and guidelines and the requirements of this Declaration and the Plat. Upon approval of any plans, the ACC shall stamp two (2) sets of the plans and return one set to the applicant. The other set shall be retained by the ACC, along with the Application Form. In the event of any later discrepancies between the set of plans given to the applicant and the set retained, the set of plans on file with the ACC shall control. The failure of the ACC to approve plans within sixty (60) days of their submission shall be deemed a denial thereof.

6.6 Meetings of the ACC. The ACC shall meet as often as necessary to review the plans submitted. The meetings shall be held at locations, times and dates determined by the ACC. Lot Owners and their contractors may attend the meetings of the ACC as determined in the ACC's discretion. The majority vote of the ACC members shall be required to take any action on behalf of the ACC.

6.7 ACC Compensation. The ACC may be compensated for services performed pursuant to this Declaration within the discretion of the Executive Board.

ARTICLE VII DECLARANTS RESERVED RIGHTS

7.1 Statement of Interest. Declarants reserve to themselves and their successors and assigns the Development Rights set forth in this Article VII, any one or more of which rights may be exercised, in the sole and absolute discretion of Declarants, at any time and from time to time during the period commencing upon the recording of this Declaration and ending on the date of termination of such rights hereunder; provided, however, Declarants shall not be obligated to exercise any one, all or any combination of the Development Rights. No consent shall be required from any Owner, Mortgagee, or the Association for the effective exercise of any of the Development Rights. The Development Rights shall be prior and superior to any other provisions of this Declaration and may not be amended, modified, terminated or otherwise altered without the prior written consent of Declarants. All conveyances of Lots, whether by Declarants or otherwise, shall be deemed and construed to reserve to Declarants and/or to grant to Declarants all of the Development Rights reserved by and to Declarants in this Article VII and elsewhere in this Declaration, even though no specific reference to such rights appears in the conveying instruments.

7.2 Building and Improvements. The Declarants reserve the right, but not the obligation, to construct additional Buildings or Improvements on the Common Elements or any Lot at any time and from time to time for the improvement and enhancement thereof for the benefit of the Association and the Lot Owners, or any of them. Furthermore, the right to complete Buildings and Improvements depicted on the Plat or referenced in this Declaration may be amended from time to time. Furthermore, the right to construct and complete Buildings or Improvements required by the terms of any agreement with Mesa County may be amended from time to time. The Declarants shall have the right to create, grant and/or use and enjoy existing or additional easements, or to relocate existing platted or other easements, upon or across any portion of the Property (including Lots and Common Elements) as may be reasonably required for the construction by Declarants of the above-described Buildings or Improvements or the effective exercise by Declarants of any of the other Development Rights described in this Article VII.

7.3 Sales, Marketing and Management. The Declarants shall have the right to construct, locate or operate, and to maintain upon, and to remove from any part of the Property, in the discretion of Declarants, and in such number, size and location as may be reasonably required by Declarants in connection with the completion of Buildings and Improvements, the development of the Property and Lots including construction or installation of Building and Improvements and/or the promotion, marketing, sale or rental of Lots, the following:

A. Offices. Sales offices, management offices and/or construction offices, and structures containing or relating to the same, including without limitation mobile homes, office trailers and construction trailers. Such offices, to the extent they are not situated on a Lot are hereby declared to be personal property of the Declarants and shall in any case be removable by Declarants;

B. Signs. Signs identifying and advertising the Property and the Lots therein for sale, lease or construction of homes;

C. Model Homes. Model residences constructed or to be constructed on Lots;

D. Parking. Parking areas and facilities and lighting necessary or desirable in the marketing of the Property and the Lots;

E. Storage. Placement, use and storage of equipment, vehicles and marketing and construction materials.

F. Solicitation. Declarants' sales, marketing and management rights shall include the right to attract, invite or bring prospective purchasers of Lots onto the Property at all times.

7.4 Declarants' Control of Association. The right to appoint or remove any Board Member or officer of the Association is more specifically set forth in Article 4.3 above.

7.5 Other Reserved Development Rights. Subject to compliance with any applicable Mesa County requirements, Declarants shall have the right with respect to all or any portion of Declarant-owned Property or Lots: (a) create additional Lots; (b) subdivide Lots; (c) combine Lots; (d) create Common Elements; and/or (e) reconfigure Lots, streets or easements. Additionally, in order to effectively exercise the Development Rights reserved to Declarants under this Article VII, the Declarants shall have the right to amend this Declaration and the Plat (without the consent of Owners, Mortgagees or the Association being required) for purposes of complying with or qualifying for any required federal or state registration of the Subdivision, satisfying title insurance requirements, bringing any provision or provisions of the Declaration into compliance with the Act, correcting technical or typographical errors or omissions in the Declaration or the Plat, or to effect the intent of the Declarants for the development of the Subdivision.

7.6 Transfer of Declarants' Reserved Rights. Any one or more rights created or reserved for the benefit of Declarants under this Article VII or elsewhere in this Declaration or in any supplemental Declaration may be transferred to any Person by an instrument describing the right or rights transferred and recorded in Mesa County. Such instrument shall be executed by the Declarants and the transferee. The provisions of section 38-33.3-304 of the Act shall apply to any transfer of special Declarants' rights.

7.7 Termination of Declarants' Reserved Rights. With the exception of Declarants' right to appoint or remove Board members and officers of the Association, the Development Rights reserved to Declarants in this Article VII shall automatically terminate and expire upon the first to occur of (i) the date which is twenty (20) years after the recording of this Declaration, or (ii) Declarants' relinquishment and surrender of such rights by recorded instrument. The Association may extend the time period for exercise of any Development Right, or reinstate a lapsed Development Right, subject to whatever terms, conditions and limitations the Association may impose on the subsequent exercise of the Development Right without requiring Lot Owner or mortgagee approval thereof. The extension or renewal of a Development Right and any terms, conditions and limitations shall be included in an amendment executed by Declarants or the owner of the real estate subject to the Development Right and the Association.

7.8 Owner's Acceptance and Waiver of Rights Regarding Declarants' Reserved Development Rights. Each Owner, by his/her acceptance of a deed to a Lot, acknowledges that the Owner has reviewed and understands the Declarants' reserved Development Rights as set forth in this Article VII or elsewhere in this Declaration, that the Owner accepts and approves such matters and understands any potential impacts that the implementation of the Development Rights may have on the Owner's Lot, and expressly waives any rights the Owner may have to object to or to interfere in any way with the implementation of such Plan or the exercise of such Development Rights.

ARTICLE VIII
GENERAL PROVISIONS

8.1 Enforcement. The provisions of the Declaration may be enforced by the Association or any Owner against any Person, including any Owner or the Association, as a result of any failure to comply with the terms of the Declaration, the Bylaws or the Act to the fullest extent permitted under the Act including the recovery of costs and attorney's fees with or without commencing legal proceedings. The failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed an estoppel or waiver of the right to enforce this Declaration, or a waiver of any other or subsequent breach of any covenant, condition or restriction herein contained.

8.2 Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall not affect any other provisions which shall remain in full force and effect.

8.3 Amendments. The Declaration and/or the Plat may be amended by Declarants to correct any clerical, typographical or technical errors, or to comply with the requirements, standards or guidelines of recognized secondary markets, the Department of Housing and Urban Development, the Federal Housing Administration, the Veterans' Administration, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association or the Federal National Mortgage Association. The Declarants may further amend this Declaration to exercise any of the reserved Development Rights as set forth in Article VII above. This Declaration may also be amended at any time and for any purpose and in such manner as is provided in the Act. This Declaration may also be amended by vote or agreement of Owners of Lots to which at least fifty-one percent (51%) of the votes in the Association are allocated, provided such amendment does not impair, restrict or modify any of the reserved Development Rights of the Declarants, or conflicts with any provision of the Act. Any amendment must be recorded.

8.4 Limitation on Association. Any action, resolution or attempted action of the Association in conflict with any term or provision of this Declaration shall be void and of no force and effect whatsoever.


8.5 Notice. Notice of matters affecting Lot Owners may be given to such Owners by mailing such notice by first class mail to the last address provided by the Owner to the Association. If no address has been provided by Owner, such notice shall be mailed to the address of Owner's Lot.

8.6 Mesa County Zoning and Development Requirements. Notwithstanding the provisions of this Declaration, all Buildings and Improvements on the Property must apply with applicable zoning and development requirements of Mesa County or other governing public entity.


8.7 Governing Clause. This Declaration shall control and govern over any conflicting provision of the Act, except to the extent that such conflicting provision in the Act is mandatory according to the terms of the Act. This Declaration shall further control any conflicting term in the Articles, Bylaws, or any rule, regulation, standard or guideline promulgated by the Association or the ACC.

IN WITNESS WHEREOF, Declarants sets their respective hands and seals the 10th day of January, 2006.

MONUMENT LAND DEVELOPMENT, LLC

By: 
Dennis L. Granum

HOLT HOMES, INC., a Colorado corporation

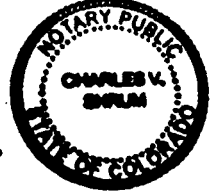
By: 
Howard Holt, President

STATE OF COLORADO)
) ss.
COUNTY OF MESA)

The foregoing instrument was acknowledged before me this 10th day of January, 2006, by Dennis L. Granum, as Director of Monument Land Development, LLC.

My commission expires: march 14, 2007.
Witness my hand and official seal.

Charles V. Se
Notary Public



STATE OF COLORADO)
) ss.
COUNTY OF Mesa)

The foregoing instrument was acknowledged before me this 10th day of January, 2006, by Howard Holt, as President of Holt Homes, Inc., a Colorado corporation.

My commission expires: MARCH 14, 2007.
Witness my hand and official seal.

Charles V. Se
Notary Public

