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**SUPPLEMENTAL DECLARATION TO AMEND
THE AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR
MCCLELLAND'S CREEK
(a Common Interest Community)**

This SUPPLEMENTAL DECLARATION TO AMEND THE AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR MCCLELLAND'S CREEK (a Common Interest Community) ("Supplemental Declaration") is made this 21st day of February, 2014, by The Ryland Group, Inc., a Maryland corporation ("Declarant") and McClelland's Creek Homeowners Association, Inc., a Colorado nonprofit corporation (the "Association").

RECITALS

A. That certain Amended and Restated Declaration of Covenants, Conditions and Restrictions for McClelland's Creek (a Common Interest Community) dated April 3, 2013, and recorded in the real estate records of Larimer County, Colorado (the "Records"), on April 4, 2013, at Reception No. 20130025774 (the "Declaration") creates certain protective covenants, conditions and restrictions as set forth therein.

B. The Association is organized as the homeowners' association pursuant to and under the terms of the Declaration.

C. Defined terms in this Supplemental Declaration shall have the same meaning as set forth in the Declaration.

D. Declarant has initiated a request for amendment of the Declaration to specify certain maintenance obligations, to specify and clarify certain assessments, and for other amendments as set forth in this Supplemental Declaration.

E. More than 67% of the votes of Owners in the Association have approved this amendment of the Declaration to amend the Declaration as set forth below.

F. Declaration and the Association desire to amend the Declaration to implement these amendments.

DECLARATION

NOW, THEREFORE, Declarant and the Association, with the requisite approval of the Owners, declare as follows:

1. AMENDMENT TO DEFINITIONS. Article 2 of the Declaration is amended to insert the following to add a new definition, as follows:

2.1.30 "Occupancy Date" for a Lot shall mean the later of the date upon which a certificate of occupancy is issued to permit the occupancy of Improvements constructed on such Lot, or the date upon which such Improvements are actually first occupied for residential purposes.

2.1.31 "Private Alley Lots" means Lots 1 through 9, Block 2, McClelland's Creek Third Filing, County of Larimer, State of Colorado.

2.1.32 "Private Alley Lots Limited Common Area" means a portion of Common Area hereby designated by Declarant and the Association as being for the exclusive use and benefit of only the Private Alley Lots, and not of any other Lots within the Community Area. The cost of maintenance and repair of Private Alley Lots Limited Common Area shall be assessed against the Private Alley Lots so benefitted thereby, as provided in Sections 6.3.1 and 6.7 of the Declaration. As of the date of this Supplemental Declaration, the private alley described as Tract A, McClelland's Creek Third Filing, County of Larimer, State of Colorado, shall be designated as the Private Alley Lots Limited Common Area for the exclusive use and benefit of the Private Alley Lots.

2. AMENDMENTS TO ARTICLE 6. Article 6 of the Declaration is hereby amended as follows:

Section 6.3.1 is hereby amended by adding the following sentence at the end thereof:

In accordance with this provision, the maintenance needs and expenses of the Private Alley Lots Limited Common Area shall be assessed exclusively against the Private Alley Lots.

A new Section 6.3.3 is hereby added to the Declaration, as follows:

6.3.3 Prior to the Occupancy Date of any Lot in the Common Interest Community, the annual assessment of such Lots shall be payable at the reduced rate of twenty five percent (25%) of the annual amount of assessments that otherwise would have been payable during such period of time had the Occupancy Date of such Lot occurred. Such reduction is in recognition that prior to the Occupancy Date of a Lot, the Owner of such Lot shall not require the use or enjoyment of the Common Area and that unimproved Lots do not require most of the services of the Association. The Common Expenses for services, including trash removal; park and open space irrigation, lighting, mowing and other landscaping maintenance of Common Area; sidewalk snow removal; drainage maintenance; insurance of Common Area; and other services provided by the Association related to Common Area will not benefit a Lot prior to the Occupancy Date of such Lot. Upon the Occupancy Date of a Lot, the annual assessments shall be assessed at one hundred percent (100%) for such Lots.

Section 6.7 is hereby amended by adding the following sentences at the end thereof:

In accordance with the foregoing, the Association shall provide repair and maintenance services of the Private Alley Lots Limited Common Area consisting of asphalt repair and replacement as necessary, and the Owners of the Private Alley Lots shall pay the Association for such services as provided in this Section 6.7, together with a reasonable reserve for future major repairs and/or replacement of such private alley asphalt. In the event the majority of the Owners of the Private Alley Lots request that additional services be provided for the Private Alley Lots Limited Common Area, such as snow removal, such request shall be made in writing and the cost of such requested additional services provided by the Association shall be assessed against the Private Alley Lots as provided in this Section. #5 mo

Section 6.12 is hereby deleted and replaced in its entirety with the following:

Section 6.12 Surplus Funds. Any surplus funds of the Association remaining after payment of or provision for Common Expenses and any prepayment of or provision for reserves shall not be retained by the Association and shall be paid to the Owners (excluding any Owner that is delinquent in the payment of assessments) in proportion to their Common Expense Liability or credited to them to reduce future assessments. Any surplus funds paid by Owners of Private Alley Lots for services provided to the Private Alley Lots Common Area and any prepayment for reserves for such Private Alley Lots Common Area services shall not be retained by the Association and shall be paid to the Owners of the Private Alley Lots (excluding any such Owner that is delinquent in the payment of assessments) in proportion to their Common Expense Liability or credited to such Owners to reduce future assessments.

3. AMENDMENTS TO ARTICLE 10. Article 10 is hereby amended as follows:

Section 10.1 is hereby amended to add the following sentences at the end thereof:

The Association shall maintain all fencing adjacent to Common Areas as a Common Expense. The Association shall also be responsible for the maintenance, repair, reconstruction, management, control and operation of the Private Alley Lots Limited Common Area, as provided in Section 6.7, and shall be the responsibility and expense of the Owners of Private Alley Lots as provided above.

Section 10.2 is hereby amended to add the following sentence at the end thereof:

In addition to the foregoing, Owners shall be responsible for the maintenance and repair of any fences located upon such Owner's Lot at the expense of such Owner.

4. AMENDMENT TO ARTICLE 13. Section 13.3 is hereby amended to by deleting the last sentence thereof and adding the following sentences at the end thereof:

In addition to the foregoing, such approval shall require the approval of one hundred percent (100%) of the holders of First Mortgages by written vote or proxy by written notice sent as provided in Section 14.3 or to the address specified in the applicable Security Interest.

5. AMENDMENTS TO ARTICLE 14. Article 14 is hereby amended as follows:

The last Section of Article 14 numbered as "12.12 Disclaimer Regarding Safety." is hereby re-numbered to be Section "14.11." This Section otherwise remains unamended.

A new Section 14.12 is hereby added to the Declaration as follows:

14.12 Third-Party Beneficiary. Declarant is hereby designated to be a third-party beneficiary under this Declaration, and from a period of eight (8) years after the later of: (i) termination of the Special Declarant Rights Period; or (ii) the Occupancy Date of all Lots owned by Declarant, Declarant shall have the right, but not the obligation, to attend meetings of the Members and Executive Board and to receive copies of minutes or notices of action from meetings of the Executive Board, Members or any permanent or standing committee of Directors. In addition, during such period of time, Declarant shall have standing to enforce Article 13 of this Declaration and any violation of that adversely affects Declarant's rights specified in this Declaration.

6. AMENDMENT TO EXHIBIT B. Exhibit B to the Declaration is hereby deleted in its entirety and replaced with Exhibit B attached hereto and by this reference incorporated into the Declaration.

7. INCORPORATION OF RECITALS. The Recitals set forth above shall be deemed to be a substantive part of this Supplemental Declaration.

EXHIBIT B
TO
SUPPLEMENTAL DECLARATION TO AMEND
THE AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR
MCCLELLAND'S CREEK
(a Common Interest Community)

**LEGAL DESCRIPTION OF
COMMON AREA**

Common Area Lots A, B, C, E, F, G, H, I, J & K,
McClelland's Creek Third Filing,
City of Ft. Collins, Larimer County, Colorado

**LEGAL DESCRIPTION OF
PRIVATE ALLEY LOTS LIMITED COMMON AREA**

Tract A,
McClelland's Creek Third Filing
City of Ft. Collins, Larimer County, Colorado

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