

AFTER RECORDING, RETURN TO:
Holland & Hart LLP
555 17th Street, Suite 3200
Denver, CO 80202
Attn: Rebecca W. Dow, Esq.

**SUPPLEMENTAL DECLARATION
FOR PIONEER HILLS**

THE RYLAND GROUP, INC., a Maryland corporation ("Ryland"), and PIONEER HILLS OWNERS ASSOCIATION, a Colorado non-profit corporation (the "Association") execute this Supplemental Declaration for Pioneer Hills (the "Supplemental Declaration"), to be effective this 15th day of May, 2015.

RECITALS

- A. Pioneer Hills, LLC ("Original Declarant") executed and caused to be recorded that certain Community Declaration for Pioneer Hills on October 11, 2006, at Reception No. B6145436 of the records of the Office of the Clerk and Recorder of Arapahoe County, Colorado (the "Records"), as subsequently amended and supplemented (the "Declaration").
- B. PH Investments Group, LLC, a Colorado limited liability company, as successor-in-interest to the Original Declarant, pursuant to that certain Assignment of Declarant Rights recorded on August 8, 2014, at Reception No. D4072253 in the Records, assigned any and all Declarant Rights, including Development Rights and Special Declarant Rights, to Ryland and thereby designated Ryland as Declarant under the Declaration (hereafter Ryland shall be referred to as the "Declarant").
- C. The Association is organized as the master homeowners' association pursuant to and under the terms of the Declaration.
- D. Defined terms used in this Supplemental Declaration shall have the same meaning as set forth in the Declaration.
- E. Declarant has initiated a request for amendment of the Declaration to specify specific Neighborhoods, to provide for Neighborhood representation on the Board, to grant Owners broader voting rights, to clarify the alternative dispute resolution provisions in the Declaration, and for other amendments as set forth in this Supplemental Declaration.
- F. More than two-thirds of the Owners of Privately Owned Sites in the Community have approved this amendment of the Declaration to amend the Declaration as set forth below.
- G. Declarant 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. **AMENDMENTS TO DEFINITIONS.** Article I of the Declaration is amended to delete certain Definitions and insert the following in their place and to add new definitions, as follows:

“Neighborhood” means a discrete group of Private Owned Sites designated as a Neighborhood in this Declaration or in any Supplemental Declaration. Prior to the date of this Supplemental Declaration, the Community included one Neighborhood: Pioneer Hills Townhomes Neighborhood, which is separately managed and operated pursuant to a Neighborhood Sub-Association created pursuant to the Townhome Declaration, as defined in the Declaration. As of the date of this Supplemental Declaration, there are established the following four (4) Neighborhoods, as more specifically depicted on Exhibit A and described on Exhibit A-1 attached hereto and incorporated herein: (i) Pioneer Hills at Cherry Creek Neighborhood consisting of Single Family Lots, referred to herein as “Neighborhood I”; (ii) the existing Pioneer Hills Townhomes Neighborhood, referred to herein as “Neighborhood II”; (iii) Pioneer Hills Ryland Townhomes Neighborhood, referred to herein as “Neighborhood III”; and (iv) Pioneer Hills Paired Homes Neighborhood, referred to herein as “Neighborhood IV”.

“Neighborhood Landscaping” means all landscaped areas, including without limitation, hardscape, flowerbeds, green belt areas, and sprinkler system located within a Neighborhood, including landscaped areas on each Townhome Lot within Pioneer Hills Townhomes in Neighborhood II, on Each Townhome Lot in Neighborhood III and on front yard of each Single Family Lot within Neighborhood IV.

“Party Wall” means any wall which: is part of the original construction of the Dwellings located on Lots as such wall(s) may be repaired or reconstructed from time to time; is placed on or immediately adjacent to a Lot’s lot line; and separates two (2) or more Dwellings as a common wall; and any monolithic slab located on two (2) Lots. Without limiting the generality of the foregoing, “Party Wall” includes any two walls which meet the foregoing criteria and which are separated by a small amount of air space. To the extent not inconsistent with the specific provisions of this Declaration, the general rules of law regarding party walls shall apply to Party Walls within the Community.

“Single Family Lot” means a Privately Owned Site improved or to be improved with a Dwelling, including the Lots located within the Pioneer Hills at Cherry Creek Neighborhood known as Neighborhood I and the Pioneer Hills Paired Homes Neighborhood known as Neighborhood IV.

“Townhome Neighborhood” means the existing Pioneer Hills Townhomes Neighborhood, depicted as Neighborhood II on Exhibit A (that is subject to the Townhome Declaration), and the Pioneer Hills Ryland Townhomes Neighborhood, depicted as Neighborhood III on the attached Exhibit A.

2. **AMENDMENTS TO ARTICLE II.**

Section 2.3 of the Declaration is hereby amended by adding the following paragraph at the end thereof:

It is the intent of the Association that each Neighborhood will have representation on the Board of Directors from and after termination of the Period of Declarant Control. Therefore, at such termination of the Period of Declarant Control, the Owners of Single Family Lots in Neighborhood I will elect one member of the Board of Directors; the Owners of Townhome Lots in Neighborhood II will elect one member of the Board of Directors; the Owners of Townhome Lots in Neighborhood III will elect one member of the Board of Directors; the Owners of Single Family Lots in Neighborhood IV will elect one member of the Board of Directors; and all of the Owners will elect one Owner at-large to the Board of Directors, for a total of five (5) members on the Board of Directors. In the event a Neighborhood does not elect a member representing such Neighborhood to the Board, then the Owners of the other Neighborhoods may elect such member to the Board as an at-large member.

3. **AMENDMENTS TO ARTICLE III.**

Section 3.4 of the Declaration is hereby deleted and the following inserted in its place:

3.4 **Termination of Period of Declarant Control.** Not later than the termination of the Period of Declarant Control, the Owners including Declarant and Builders shall elect a Board of Directors (with the exact number of members of the Board of Directors to be set forth in the Bylaws of the Association, but in no event less than the number specified in Section 2 of this Supplemental Declaration with representation by each Neighborhood within the Community in accordance with such provision), at least a majority of whom must be Owners other than Declarant or designated representatives of Owners other than Declarant. The Board of Directors shall elect the officers. Such Board of Directors and officers shall take office upon election.

4. **AMENDMENTS TO ARTICLE IV.**

Section 4.3 of the Declaration is hereby amended by adding the following Section 4.3(d):

(d) The Association shall hereby assume the responsibility to manage, operate, care for, and Maintain and Repair certain Neighborhood Limited Common Elements, Neighborhood Roofs, Neighborhood Exteriors, Neighborhood Landscaping (which includes all landscaping on the Townhome Lots within Neighborhood III and the front yard landscaped areas on the Single Family Lots within Neighborhood IV) and

Neighborhood Roads, as applicable, within Neighborhood III and Neighborhood IV, and keep the same in a safe, attractive and desirable condition for the use and enjoyment of the Owners within such Neighborhood III and Neighborhood IV that are entitled to use such facilities. The costs, expenses, fees and other amounts to be expended for the obligations provided for in this subsection shall be collected by the Association as a Neighborhood Assessment against such respective Neighborhood III and Neighborhood IV, as applicable.

5. **AMENDMENTS TO ARTICLE VIII.**

Section 8.2 of the Declaration is amended by adding a new sentence at the end of the Section as follows:

The insurance specified above as to the Pioneer Hills Townhomes Neighborhood (Neighborhood II) shall not be applicable to the Townhome Lots located within Neighborhood III. The Association shall maintain insurance for the Townhome Lots located within Neighborhood III as provided in Section 8.12 below.

Section 8.8 of the Declaration is hereby amended to add the following new sentence at the end of the Section as follows:

The foregoing provisions of Section 8.8 shall be applicable only to Single Family Lots located within Neighborhood I.

A new Section 8.12 shall be added to the Declaration as follows:

8.12 **Insurance for Neighborhood III and Neighborhood IV.**

(a) The Association shall maintain property insurance insuring the Neighborhood Limited Common Elements within each of Neighborhood III and Neighborhood IV and insuring the Dwellings within Neighborhood III and Neighborhood IV to the unfinished perimeter walls, subfloors and ceiling of the structure, including exterior windows and exterior doors, garage door, exterior surfaces, balconies, decks, patios, roof, all of the structural components of the Dwellings on Lots within Neighborhood III and Neighborhood IV, such as load bearing walls, firewalls and roof structure components, all as originally installed by Declarant, but such insurance shall not include finished surfaces of the perimeter and partition walls, finished surfaces of floors and ceilings within such Dwellings, such as paint, wallpaper, paneling and other wall coverings, carpeting, tile and other floor coverings, stairs, interior doors, cabinets, countertops, appliances, bathroom fixtures, or other fixtures or improvements within a Dwelling, Owner's personal property and any Owner added Improvements or betterments to a Dwelling within Neighborhood III and Neighborhood IV. Such insurance is known as "bare walls" coverage, and shall be written on an "all-risk" form policy of

hazard insurance with extended coverage, vandalism, malicious mischief, windstorm, debris removal, cost of demolition and water damage endorsements, and such other insurance as the Board may deem necessary or prudent from time to time for the risks associated with the Neighborhood Limited Common Elements within Neighborhood III and Neighborhood IV and the Dwellings on Lots within Neighborhood III and Neighborhood IV. The total amount of insurance must be not 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 policies.

(b) Commercial general liability insurance against all claims and liabilities arising in connection with the ownership, existence, use, or management of the Neighborhood Limited Common Elements within each of Neighborhood III and Neighborhood IV in an amount deemed sufficient in the judgment of the Board, insuring the Board, the Association, the management agent, and their respective employees, agents and all persons acting as agents. The Declarant shall be included as an additional insured in such Declarant's capacity as an Owner and Board member. The Owners within Neighborhood III and Neighborhood IV shall be included as additional insured but only for claims and liabilities arising in connection with the ownership, existence, use, or management of the Neighborhood Limited Common Elements within their respective Neighborhood III and Neighborhood IV, as applicable. The insurance shall cover claims of one or more insured parties against the other parties.

(c) Flood insurance if the area where the Dwellings in Neighborhood III and Neighborhood IV are located has been identified by the Secretary of Housing and Urban Development (HUD) or the Director of the Federal Emergency Management Agency (FEMA) as a Special Flood Hazard Area. Flood insurance for the Dwellings in Neighborhood III and Neighborhood IV shall be maintained providing coverage equivalent to that provided under the National Flood Insurance Program in an amount of one hundred percent (100%) of the current replacement cost of all insurable improvements located within the flood hazard area, to the extent available.

6. **AMENDMENTS TO ARTICLE XII.**

(A) Section 12.17 of the Declaration is hereby amended to specify that such Section shall also be applicable to any Party Wall within a Dwelling in Neighborhood IV.

7. **AMENDMENTS TO ARTICLE XV.**

Section 15.1 of the Declaration is hereby amended by adding the following Sections 15.1(e), (f), (g) and (h):

(e) The approval of at least sixty-seven percent (67%) of the Association votes cast by Members voting in person or by proxy at a meeting duly called for this purpose at which a quorum is present (with the “quorum” in such cases to be set as provided below), must be obtained before the Association shall have the power to institute action on any Construction Dispute pursuant to this Section, or to make any counterclaim or cross-claim in any lawsuit with respect to any Construction Dispute brought against the Association. Such approval must be obtained in accordance with the requirements of Section 15.1(f) of this Declaration.

(f) Written notice of any meeting of Members which includes a vote pursuant to Section 15.1(e) of this Declaration shall be sent to all Members not less than thirty (30) days nor more than fifty (50) days in advance of the meeting. Such written notice, or if the vote is to be by written ballot then such written ballot, shall include the following information:

(i) A statement regarding the nature of the Construction Dispute. Such statement shall include the name(s) of the proposed claimant(s) and respondent(s), the basis and reason for the Construction Dispute, and any other information necessary to adequately explain the nature of the proposed Construction Dispute; and

(ii) A good-faith estimate of the costs and fees, including court costs and other costs, the fees of consultants, expert witnesses and attorneys' fees, reasonably anticipated to be incurred by or for the Association in prosecuting the Construction Dispute, with such estimate prepared by the primary attorney the Board proposes to have prosecute the Construction Dispute on its behalf; and

(iii) A good-faith estimate of the manner in which any monies reasonably anticipated to be recovered from the Construction Dispute will be distributed or paid to consultants, expert witnesses, the Association, its attorney(s) and any others, prepared by the primary attorney the Board proposes to have prosecute the Construction Dispute on its behalf; and

(iv) A good faith estimate of the projected time frame for resolution of the Construction Dispute; and

(v) All terms and provisions of the agreement between the Association and the attorney(s) the Board proposes to have prosecute the Construction Dispute.

The presence of Members or of proxies, or if by ballot then receipt by the Association of written ballots, entitled to cast sixty-seven percent (67%) of all of the Association votes, shall constitute a quorum at any meeting at which the Members vote on approval of any Construction Dispute the Association wishes to bring. Each written proxy, and each ballot, which purports to vote on, or authorize a vote on, approval of the Association bringing a Construction Dispute shall contain the following statement with respect to any vote approving the Association to bring a Construction Dispute:

With full knowledge and understanding that my Assessments may be increased by the costs and fees associated with the proposed Construction Dispute, I/we APPROVE the authority of the Association to bring such Construction Dispute.

(g) Prior to any party commencing any proceeding against another party, including but not limited to an alleged defect of any Improvement, the respondent shall have the right to be heard by the claimant and, if any claimant is the Association, by the Members, and to access, inspect, correct the condition of, or redesign any portion of any Improvement as to which a defect is alleged or to otherwise correct the alleged defect; provided, however, any correction to, or redesign of, an Improvement shall be made upon terms and conditions reasonably acceptable to all affected Parties. In the exercise of the inspection rights contained herein, the inspecting party shall:

(A) Be careful to avoid unreasonable intrusion upon, or harm, damage or costs to the affected party including using its best efforts to avoid causing any damage to, or interference with, any Improvements to the subject property;

(B) Minimize any disruption or inconvenience to any Person who occupies the subject property;

(C) Remove daily all debris caused by the inspection and located on the subject property; and

(D) In a reasonable and timely manner, at the sole cost and expense of the inspecting party, promptly remove all equipment and materials from the subject property and repair and replace all damage, and restore the subject property to the condition of the subject property as of the date of the inspection unless the subject property is to be immediately repaired.

The inspecting party shall not permit any lien, claim or other encumbrance arising from the exercise of its right to inspect to accrue against or attach to the subject property. The inspecting party shall indemnify, defend, and hold harmless the affected Owners and their tenants, guests, employees and agents, against any and all liability, claims, demands, losses, costs and damages incurred, including court costs and attorneys' fees, resulting from any breach of this Section by the inspecting party.

(h) No director or officer of the Association shall be liable to any Person for failure to institute or maintain or bring to conclusion a cause of action, mediation or arbitration for a Construction Dispute if the following criteria are satisfied: (a) the director or officer was acting within the scope of his or her duties; (b) the director or officer was not acting in bad faith; and (c) the act or omission was not willful, wanton or grossly negligent.

(B) Section 15.5 of the Declaration is hereby amended by adding the following Section 15.5(g):

(g) Notwithstanding any other provision in this Declaration to the contrary, any proposed amendment or repeal of any provisions of this Declaration during the Period of Declarant Control shall not be effective unless Declarant has given its written consent to such amendment or repeal, which consent may be evidenced by the execution by Declarant of any certificate of amendment or repeal. The foregoing requirement for consent of Declarant to any amendment or repeal shall terminate upon termination of the Period of Declarant Control, except that the requirement for Declarant consent shall not terminate with respect to any amendment or repeal that operates or is effective to remove, revoke, limit, condition, or modify any right or privilege of the Declarant hereunder, including without limitation Section 15.5 of this Declaration, which provisions are both covenants and contractual in nature and may not be unilaterally amended by the Owners to affect or

alter the Declarant rights and privileges or the contractual agreement without the written consent of the Declarant or the assignee of such right or privilege, with Declarant or such assignee being hereby designated a third-party beneficiary of this Declaration with a right and standing to enforce this provision. Each amendment to this Declaration enacted by the vote or agreement of Owners of Lots shall be applicable only to disputes, issues, controversies, circumstances, events, claims or causes of action that arose out of acts, omissions, events or other circumstances that occur after the date of recording of such amendment in the County, and no such amendment shall be applied retroactively (i) to any disputes, issues, controversies, circumstances, events, claims or causes of action that arose out of acts, omissions, events or other circumstances that occurred before the date of recording of such amendment in the County, or (ii) to impair the rights or obligations of any Person, including Declarant, as set forth in this Declaration prior to such amendment.

8. **THIRD-PARTY BENEFICIARY.** Declarant is hereby designated to be a third-party beneficiary under this Declaration, and for a period of eight (8) years after the later of: (i) termination of Development Period as provided in Article I; or (ii) the sale of all Lots owned by Declarant, Declarant shall have the right, but not the obligation, to attend meetings of the Members and Board and to receive copies of minutes or notices of action from meetings of the Board, Members or any permanent or standing committee of the Board. In addition, during such period of time, Declarant shall have standing to enforce ARTICLE XV of this Declaration and any violation of that adversely affects Declarant's rights specified in this Declaration.

9. **ADDITIONAL PROVISIONS APPLICABLE ONLY TO PIONEER HILLS RYLAND TOWNHOMES NEIGHBORHOOD/NEIGHBORHOOD III.**

9.1 **Neighborhood III Limited Common Elements.** The Neighborhood Limited Common Elements shall include any private driveways, retaining walls and perimeter fences and irrigation systems thereon.

9.2 **Neighborhood III Neighborhood Assessments.** The Neighborhood Assessments for Neighborhood III will include the Neighborhood Limited Common Elements, Neighborhood Roads, Neighborhood Roofs and Neighborhood Exteriors of the Dwellings constructed on the Lots in Neighborhood III, Neighborhood Landscaping and landscaping on the front and back yard of the Lots in Neighborhood III. The costs, expenses, fees and other amounts to be expended for the maintenance and repair provided for in this subsection shall be Neighborhood Common Expenses for Neighborhood III. Other than the Association duties set out in this Section and the Declaration, each Owner of a Lot within Neighborhood III shall be responsible for the maintenance and repair of such Owner's Lot, not the responsibility of the Association including without limitation water and sewer service laterals; antennas/dishes, solar panels and other Improvements on the Lot.

9.3 Neighborhood III Additional Covenants, Conditions, Restrictions, and Easements.

9.3.1 Neighborhood III Fences.

No fences shall be permitted without the prior, written approval of the Architectural Review Committee, except such fences as may be constructed, installed or located by the Declarant or a Builder in the development of, or construction of Improvements in, the Community.

9.3.2 Neighborhood III Front and Back Yard Restrictions.

Owners of Lots within Neighborhood III shall not install any Improvements, plantings, wind chimes, bird baths, bird feeders, electric fences or other obstructions in the front or back yard of, or adjacent tracts to, the Lots, and the Association will not be responsible for any damage to any such obstructions or Improvements located in the front or back yards of, or adjacent tracts to, the Lots as a result of the Association's maintenance and repair activities. Any Owner in violation of this restriction will be responsible for all costs incurred by the Association as a result of such violation, including without limitation, the cost of removal of such obstructions or Improvements and damage to mowers or other equipment.

10. **ADDITIONAL PROVISIONS APPLICABLE ONLY TO PIONEER HILLS PAIRED HOMES NEIGHBORHOOD/NEIGHBORHOOD IV.**

10.1 Neighborhood IV Limited Common Elements. The Neighborhood Limited Common Elements shall include any private driveways, retaining walls and fences and irrigation systems thereon.

10.2 Neighborhood IV Neighborhood Assessments. The Neighborhood Assessments for Neighborhood IV will include the Neighborhood Limited Common Elements, Neighborhood Exteriors, Neighborhood Roofs and Neighborhood Landscaping limited to the landscaping on the front yard of the Lots in Neighborhood IV. The costs, expenses, fees and other amounts to be expended for the maintenance and repair provided for in this subsection shall be Neighborhood Common Expenses for Neighborhood IV. Other than the Association duties set out in this Section and the Declaration, each Owner of a Lot within Neighborhood IV shall be responsible for the maintenance and repair of such Owner's Lot, including without limitation patios, decks, balconies, side yard fences, doorsteps, stoops, porches, and other fixtures, water and sewer service laterals, antennas/dishes, solar panels and other Improvements on the Lot.

10.3 Neighborhood IV Additional Covenants, Conditions, Restrictions, and Easements.

10.3.1 Neighborhood IV Fences.

No fences shall be permitted without the prior, written approval of the Architectural Review Committee, except such fences as may be constructed, installed or located by the Declarant or a Builder in the development of, or construction of Improvements in, the Community.

10.3.2 Neighborhood IV Front Yard Restrictions.

Owners of Lots within Neighborhood IV shall not install any Improvements, plantings, wind chimes, bird baths, bird feeders, electric fences or other obstructions in the front yard of, or adjacent tracts to, the Lots, and the Association will not be responsible for any damage to any such obstructions or Improvements located in the front yards of, or adjacent tracts to, the Lots as a result of the Association's maintenance and repair activities. Any Owner in violation of this restriction will be responsible for all costs incurred by the Association as a result of such violation, including without limitation, the cost of removal of such obstructions or Improvements and damage to mowers or other equipment.


11. **INCORPORATION OF RECITALS.** The Recitals set out above shall be deemed to be a substantive part of this Supplemental Declaration.

[Signature pages on following pages.]

IN WITNESS WHEREOF, the Declarant and the Association have executed this Supplemental Declaration the date and year first above written.

DECLARANT:

THE RYLAND GROUP, INC.,
a Maryland corporation

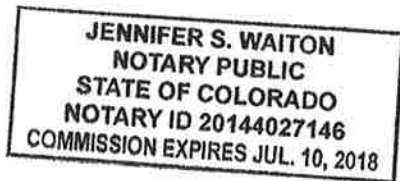
By: 
Daniel J. Nickless, Operational Vice President

STATE OF COLORADO)
) ss.
COUNTY OF ARAPAHOE)

The foregoing instrument was acknowledged before me this 15th of May, 2015, by Daniel J. Nickless as Operational Vice President of The Ryland Group, Inc., a Maryland corporation.

Witness my hand and official seal,

My commission expires: July 10, 2018



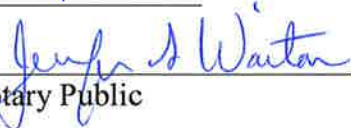
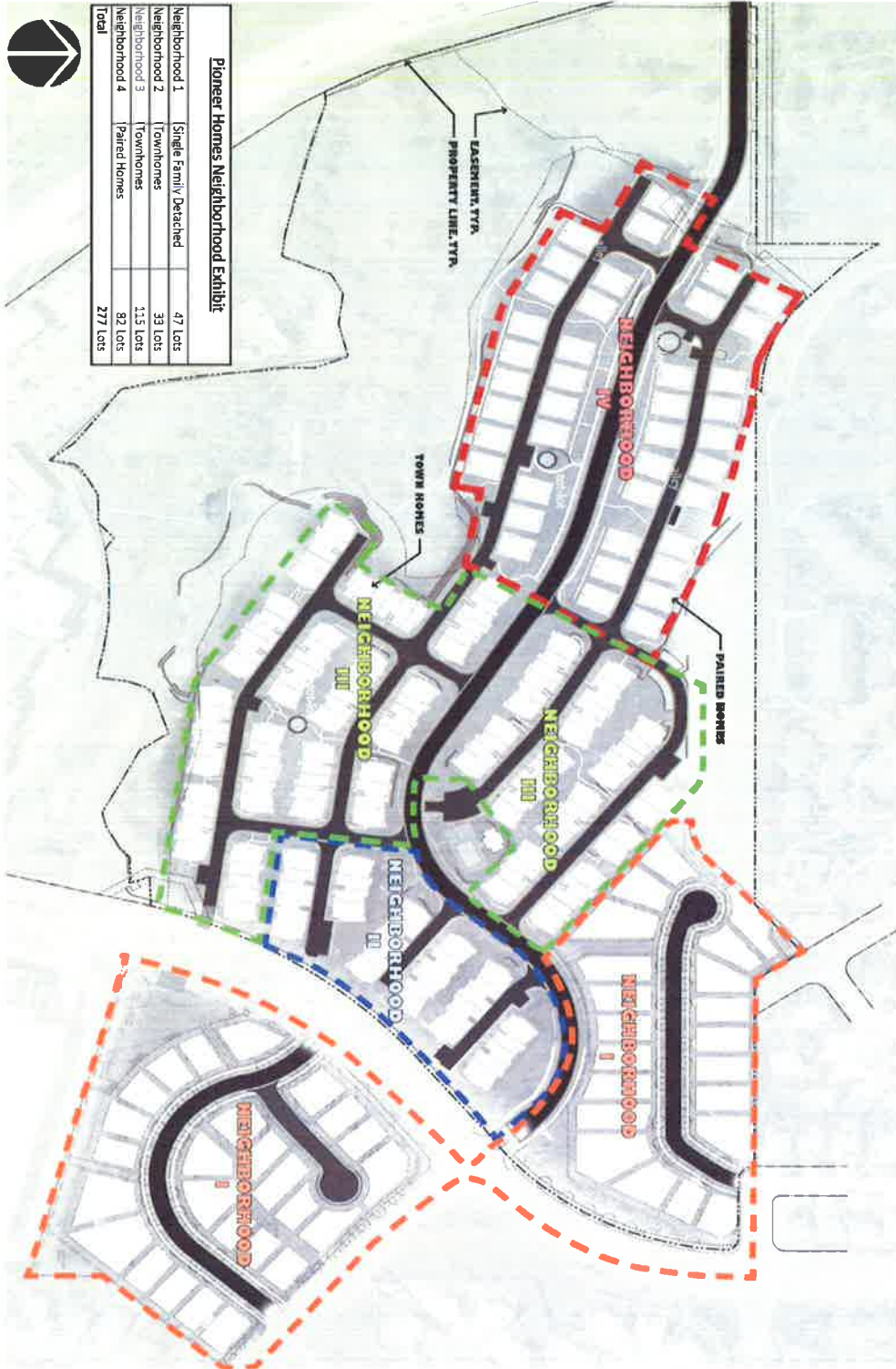

Notary Public

EXHIBIT A

DEPICTION OF NEIGHBORHOODS

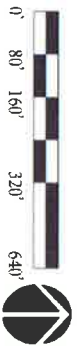


Pioneer Homes Neighborhood Exhibit

Neighborhood 1	Single Family Detached	47 Lots
Neighborhood 2	Townhomes	33 Lots
Neighborhood 3	Townhomes	115 Lots
Neighborhood 4	Paired Homes	82 Lots
Total		277 Lots



1:80



PIONEER HILLS
NEIGHBORHOOD EXHIBIT
4/15/2015

EXHIBIT A-1

DESCRIPTION OF NEIGHBORHOODS:

- Neighborhood I: Pioneer Hills at Cherry Creek Neighborhood (Single Family Lots)
Lots 1-21, inclusive, Block 1,
Pioneer Hills Subdivision, Filing No. 7;
Lots 1-14, inclusive, Block 1 and Lots 1-12, inclusive, Block 2,
Pioneer Hills Subdivision, Filing No. 8,
according to the recorded plats thereof,
County of Arapahoe, State of Colorado
- Neighborhood II: Pioneer Hills Townhomes
Sites 1-27, inclusive; and
Sites 100-105, inclusive,
Pioneer Hills Subdivision, Filing No. 5,
according to the recorded plat thereof,
County of Arapahoe, State of Colorado
- Neighborhood III: Pioneer Hills Ryland Townhomes Neighborhood
Lots 2-35, inclusive, and Lots 82-91, inclusive, Block 1;
Lots 28-36, inclusive; Lots 83-99, inclusive and Lots 106-144, inclusive,
Block 2,
Pioneer Hills Subdivision, Filing No. 5,
according to the recorded plat thereof,
County of Arapahoe, State of Colorado
- Lots 1-6, inclusive, Block 2;
Pioneer Hills Subdivision, Filing No. 10,
according to the recorded plat thereof,
County of Arapahoe, State of Colorado
- Neighborhood IV: Pioneer Hills Ryland Paired Homes Neighborhood (Single Family Lots)
Lots 1-42, inclusive, Block 1
Lots 7-46, inclusive, Block 2,
Pioneer Hills Subdivision, Filing No. 10,
according to the recorded plat thereof,
County of Arapahoe, State of Colorado