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SHEA HOMES LIMITED PARTNERSHIP
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ATTN: LEGAL DEPARTMENT

17

SUPPLEMENTAL DECLARATION NO. 5

FOR

FUTURE ANNEXATIONS OF
ANNEXED PROPERTY

TO

REUNION HOMEOWNERS ASSOCIATION, INC.

(Lots 1-70, Reunion Filing No. 4)

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TO

REUNION HOMEOWNERS ASSOCIATION, INC.

(Lots 1-70, Reunion Filing No. 4)

This Supplemental Declaration is made this 23rd day of July, 2003, by SHEA HOMES LIMITED PARTNERSHIP, a California limited partnership ("Declarant").

PREAMBLE

A. Declarant is the Declarant under the Declaration for Reunion Homeowners Association, Inc. (defined hereinafter as the "Homeowners Declaration").

B. Declarant is the Owner of certain real property described hereinafter in this Supplemental Declaration as the Includable Property.

C. The Includable Property described in this Supplemental Declaration is a portion of certain real property described as the Annexable Area in the Homeowners Declaration which Declarant intends be subdivided and improved as a planned community to be known as Reunion in accordance with the Homeowners Declaration. Section 3.2 of the Homeowners Declaration authorizes the phased annexation of real property to the Homeowners Association Area from time to time and provides that a Privately Owned Site shall be annexed to the Homeowners Association Area under the Homeowners Declaration and be subject to the Homeowners Declaration upon the Recordation of a Supplemental Declaration for such Privately Owned Site. Said Section 3.2 further provides that more than one Recorded instrument may together constitute a Supplemental Declaration and that such instruments may provide that such annexation may occur only upon the Recordation of the last of such instruments to be Recorded. In furtherance of the Homeowners Declaration and the PUD Zone Document as hereinafter defined, Declarant desires that the Includable Property be improved, owned and conveyed in accordance with the terms of the Homeowners Declaration and to provide for the annexation of the Includable Property to the Homeowners Declaration and this Supplemental Declaration in phases from time to time. **In accordance therewith, Declarant desires that the Owners who own portions of the Includable Property shall, from and after the date the same is annexed to the Homeowners Declaration and this Supplemental Declaration, as more particularly hereinafter provided, be subject to the provisions of the Homeowners Declaration and this Supplemental Declaration.**

D. Pursuant to Article III of the Homeowners Declaration, Declarant desires to impose additional covenants, conditions, restrictions and reservations on the Annexed Property, as hereinafter provided.

NOW, THEREFORE, IN ACCORDANCE WITH THE FOREGOING, DECLARANT HEREBY DECLARES AS FOLLOWS:

ARTICLE I **DEFINITIONS**

Section 1.1 **General.** Unless as the context otherwise requires and unless otherwise expressly provided herein, the capitalized terms in this Supplemental Declaration shall have the same meaning as any similarly capitalized term defined in the Homeowners Declaration. The following words and phrases when used in this Supplemental Declaration shall have the meaning hereinafter specified.

Section 1.2 **Includable Property.** "Includable Property" shall mean the real property described in Exhibit A attached hereto and incorporated by reference herein. The Includable Property includes all rights and easements, if any, appurtenant to the real property described in Exhibit A attached hereto. The use and enjoyment of any of such rights and easements by any person shall, from and after the date upon which the portion of the Includable Property to which such rights and easements are appurtenant has been annexed to the Homeowners Declaration and this Supplemental Declaration as hereinafter provided, be subject to the terms and provisions of this Supplemental Declaration. The Includable Property may be contracted as provided in Section 2.2 of this Supplemental Declaration.

Section 1.3 **Annexed Property.** "Annexed Property" shall mean, as of any particular time, those portions of the Includable Property which, pursuant to the provisions hereinafter set forth, have theretofore been annexed to the Homeowners Declaration and this Supplemental Declaration. As of the time of recording this Supplemental Declaration, no portion of the Includable Property has been so annexed and therefore none of the Includable Property yet constitutes Annexed Property.

Section 1.4 **Annexing Deed.** "Annexing Deed" shall mean, for each particular portion of the Includable Property, the first to occur of any of (a) the first deed (other than an "Excluded Conveyance," as hereinafter defined), executed by the Owner of such portion, which shall be Recorded after the Recordation of this Supplemental Declaration by which title to such portion of the Includable Property shall be conveyed by such Owner to another party, (b) another instrument executed by the Owner of such portion, and if such Owner is other than Declarant, containing the executed and acknowledged written consent of Declarant to such instrument, referring to this Supplemental Declaration and stating that such instrument shall constitute an Annexing Deed for such portion of the Includable Property for the purposes hereof, or (c) any deed (other than any Excluded Conveyance) made in connection with an involuntary transfer of such portion of the Includable Property (other than a "Declarant Related Foreclosure Conveyance," as hereinafter defined), including, without limitation, any treasurer's deed made in connection with a tax sale of such portion of the Includable Property or any sheriff's deed or public trustee's deed made in connection with any foreclosure, whether a judicial foreclosure or a foreclosure through the public trustee, of a Mortgage, as defined in the Homeowners Declaration, encumbering such portion of the Includable Property, or any deed in lieu of foreclosure of any such Mortgage (other than a Declarant Related Foreclosure Conveyance); provided, however, that, notwithstanding the foregoing, the term "Annexing Deed" shall, without limitation, specifically exclude any Excluded Conveyance. "Excluded Conveyance" shall mean any of (i) any deed from Declarant to any other party whatsoever unless such deed shall expressly refer to this Supplemental Declaration and

state that such deed shall constitute an Annexing Deed for the purposes hereof, (ii) any deed from the Owner, other than Declarant, of such portion of the Includable Property to another party if such deed shall expressly refer to this Supplemental Declaration and state that such deed shall not constitute an Annexing Deed for the purposes hereof and shall contain the executed and acknowledged written consent of Declarant that such deed shall not constitute an Annexing Deed for the purposes hereof, (iii) any bona fide Mortgage encumbering such portion of the Includable Property, provided that, as is more particularly provided above, a deed made in connection with, or in lieu of, a foreclosure of such Mortgage shall constitute an Annexing Deed for the purposes hereof, or (iv) any sheriff's deed or public trustee's deed made in connection with any foreclosure, whether a judicial foreclosure or a foreclosure through the public trustee, of a Mortgage made or granted by Declarant encumbering the Includable Property or a portion thereof, or any deed in lieu of foreclosure of any such Mortgage made or granted by Declarant (collectively, a "Declarant Related Foreclosure Conveyance").

Section 1.5 Homeowners Declaration. "Homeowners Declaration" shall mean the Declaration for Reunion Homeowners Association, Inc. dated August 19, 2002, Recorded August 27, 2002, at Reception No. 1015874 of the records in the office of the Clerk and Recorder of Adams County, Colorado, as the same may be amended from time to time.

Section 1.6 PUD Zone Document. "PUD Zone Document" shall mean the Reunion PUD Zone Document (PUD #3615), Amendment #1 of the Buffalo Hills Ranch PUD Zone Document, recorded December 17, 2002 under Reception No. C1068494 of the records in the office of the Clerk and Recorder of Adams County, Colorado, as the same heretofore may have been, and hereafter may be, amended from time to time.

Section 1.7 Street Border Areas. "Street Border Area" shall mean any area which has been platted as a portion of a street right-of-way and which lies between the boundaries of a Residential Site within the Annexed Property and the pavement or curbing of the street. Street Border Areas shall not include any driveways or walks.

ARTICLE II

ANNEXATION TO HOMEOWNERS ASSOCIATION AREA

Section 2.1 Manner and Effect of Annexation. Portions of the Includable Property may, from time to time, become part of the Homeowners Association Area and subject to the Homeowners Declaration and this Supplemental Declaration, and thereby constitute Annexed Property for the purposes of this Supplemental Declaration, effective upon the Recordation of an Annexing Deed for such portion of the Includable Property in the office of the Clerk and Recorder of Adams County, Colorado. Upon Recordation of an Annexing Deed for a portion of the Includable Property as aforesaid, such portion shall thereupon, automatically and without any further action by any other party, constitute Annexed Property and such Annexed Property, and each part thereof, shall, from and after the date of such Recordation, be owned, held, transferred, conveyed, sold, leased, rented, hypothecated, encumbered, used, occupied, maintained, altered and improved subject to the Restrictions and other provisions set forth in the Homeowners Declaration and this Supplemental Declaration, for the duration thereof. In such case, this Supplemental Declaration and the Annexing Deed for a portion of the Includable Property shall together constitute the "Supplemental Declaration" for such portion of the Includable Property for the purposes of Section 3.2 of the Homeowners Declaration. Conversely, unless and until an Annexing Deed for a portion of the Includable Property is Recorded, such portion of the Includable Property shall not be subject to the Homeowners Declaration

or this Supplemental Declaration, none of the Restrictions in either the Homeowners Declaration or this Supplemental Declaration shall be construed to affect, encumber, apply to or constitute a cloud upon title to such portion of the Includable Property, and the Owner of such portion of the Includable Property shall not, by virtue of such ownership, be entitled to any of the rights and benefits to which Members of the Homeowners Association are entitled pursuant to the Homeowners Declaration and this Supplemental Declaration. Consequently, it is the express intention of Declarant in executing this Declaration that the Restrictions and other provisions set forth in this Supplemental Declaration which apply to Annexed Property shall apply to the Includable Property, or portion thereof, only from and after the date the Includable Property, or portion thereof, becomes Annexed Property in accordance with the foregoing provisions. Notwithstanding the foregoing, however, for purposes of compliance with the so-called Rule Against Perpetuities, no Annexing Deed shall be effective to so annex any portion of the Includable Property to the Homeowners Declaration and this Supplemental Declaration if such Annexing Deed shall be Recorded on or after the date which is 21 years following the death of the survivor of Jeffrey F. Kappes, John Kilrow and Chester T. Latcham and the now living descendants of said persons.

Section 2.2 No Annexation Required; Contraction of Includable Property.

Notwithstanding any other provision of this Supplemental Declaration to the contrary, nothing in this Supplemental Declaration shall be construed to obligate the Includable Property, or any portion thereof, to be made subject to the Homeowners Declaration or this Supplemental Declaration. Declarant expressly reserves the right, in its sole discretion, to make or cause to be made the Includable Property, or any portion thereof, to be subject to the Homeowners Declaration pursuant to one or more other Supplemental Declarations or to determine not to make the Includable Property, or any portion thereof, subject to the Homeowners Declaration. Additionally, the Includable Property may, in Declarant's sole discretion, from time to time be contracted to delete any portion of the Includable Property, provided that such portion has not theretofore been made a part of the Annexed Property as provided herein, effective upon the Recordation of a written instrument, executed by Declarant, referring to this Supplemental Declaration, describing such portion and declaring that such portion shall thereafter be deleted from the Includable Property under this Supplemental Declaration.

Section 2.3 General Plan. This Supplemental Declaration is hereby established as a part of, pursuant to and in furtherance of a common and general plan in accordance with the Homeowners Declaration and the PUD Zone Document for the improvement and ownership of the Annexed Property and for the purpose of enhancing and protecting the value, desirability and attractiveness of the Annexed Property.

Section 2.4 Equitable Servitudes. The Restrictions set forth in the Homeowners Declaration and this Supplemental Declaration are hereby imposed as equitable servitudes upon the Annexed Property, including without limitation, upon each Privately Owned Site, Homeowners Association Property, Local Common Area and other parcel of property within the Annexed Property, as a servient tenement, for the benefit of each and every other Privately Owned Site, Homeowners Association Property, Local Common Area or other parcel of property within the Homeowners Association Area, as the dominant tenements.

Section 2.5 Restrictions Appurtenant. The Restrictions set forth in the Homeowners Declaration and this Supplemental Declaration shall run with, inure to the benefit of, and be binding upon, (a) all of the Annexed Property; (b) each Privately Owned Site located within the Annexed Property; and (c) any Homeowners Association Properties or Local Common Area located within the Annexed Property. The Restrictions set forth in the Homeowners Declaration and this

Supplemental Declaration which are imposed upon the Annexed Property by this Supplemental Declaration shall inure to the benefit of: (i) the Annexed Property, (ii) Declarant and its successors and assigns, (iii) the Homeowners Association and its successors and assigns, (iv) each Member of the Homeowners Association and any property within the Homeowners Association Area owned by such a Member, and (v) all persons having or hereafter acquiring any right, title or interest in all or any portion of the Annexed Property and their heirs, personal representatives, successors, and assigns.

Section 2.6 Land Classification. Each Lot within the Annexed Property is hereby designated, pursuant to Article III of the Homeowners Declaration, to be a Privately Owned Site, each of which also constitute both a Residential Site and a Single Family Residential Site as defined in the Homeowners Declaration.

Section 2.7 No Homeowners Association Property. No portion of the Annexed Property is or shall be Homeowners Association Property as defined in the Homeowners Declaration.

Section 2.8 No Subassociation. As of the date of this Supplemental Declaration, it is not anticipated that there shall be a Subassociation for the Annexed Property.

Section 2.9 Commencement of Assessments. As provided in Section 8.14 of the Homeowners Declaration, Common Assessments shall commence as to each Privately Owned Site within the Annexed Property as of the date upon which the Annexing Deed for such Privately Owned Site is Recorded.

Section 2.10 Designation of Permitted Dwelling Units. Each Dwelling Unit constructed or to be constructed, in accordance with the provisions of the Homeowners Declaration and this Supplemental Declaration, on a Privately Owned Site within the Annexed Property, as shown on the Recorded subdivision plat(s) affecting such Privately Owned Site, shall be deemed a Permitted Dwelling Unit under the Homeowners Declaration.

ARTICLE III HOMEOWNERS ASSOCIATION PROPERTIES

Section 3.1 Member's Rights of Use and Enjoyment. Subject to the provisions of the Homeowners Declaration, each Owner of a Privately Owned Site within the Annexed Property shall have a nonexclusive right and easement for use and enjoyment of services provided by the Homeowners Association and of any Homeowners Association Properties for the purposes for which they are intended. Such right and easement shall be appurtenant to and pass with the title to the Privately Owned Site of such Member.

Section 3.2 Delegation of Rights of Use. A Member who owns a Residential Site in the Annexed Property may delegate his nonexclusive rights and easements for use and enjoyment of the services provided by the Homeowners Association and of Homeowners Association Properties to (a) any tenant who occupies a Dwelling Unit on the Residential Site of that Member; (b) any contract purchaser who occupies a Dwelling Unit on the Residential Site of that Member; (c) any Person who is part of the Common Household Group with an Owner, tenant, or contract purchaser who occupies a Dwelling Unit on the Residential Site of that Member; (d) if an Owner is a corporation, partnership or other such entity, such reasonable number of officers, directors, partners, shareholders, members or other natural Persons with an interest in such Owner who occupy a Dwelling Unit on the Residential

Site as may be permitted by the Rules and Regulations adopted by the Homeowners Association and members of the Common Household Group of such Persons; and (e) guests of an Owner, tenant, contract purchaser or member of a Common Household Group to the extent permitted by such Rules and Regulations. In order to use Homeowners Association Properties, tenants, contract purchasers or subtenants must agree, in writing with the Homeowners Association, to assume all of said Member's duties and obligations under the Homeowners Declaration and this Supplemental Declaration, except for the obligation to pay Assessments; provided, however, that said Member shall remain liable for the failure of such tenant, contract purchaser or subtenant to fulfill all such duties and obligations. Mortgagees and other Persons holding an interest in a Privately Owned Site in the Annexed Property as security for a debt or for performance of an obligation shall not be entitled to use and enjoy Homeowners Association Properties or services of the Homeowners Association prior to the time such Person forecloses its security interest and becomes an Owner of such Privately Owned Site. A Member who does not reside on or occupy a Dwelling Unit on a Privately Owned Site shall not be entitled to use and enjoy Homeowners Association Properties and services of the Homeowners Association, if a tenant or contract purchaser is occupying the Dwelling Unit on such Privately Owned Site and is, in accordance with the foregoing, entitled to use and enjoy Homeowners Association Properties and such services derived from such Member. Other Persons may be entitled, from time to time, to use Homeowners Association Properties on a temporary basis, in accordance with the Rules and Regulations adopted under, and subject to the Restrictions in, the Homeowners Declaration.

ARTICLE IV USE RESTRICTIONS

Section 4.1 General. All of the Annexed Property shall be held, used and enjoyed subject to the restrictions in the Homeowners Declaration, as well as the following Restrictions, except for the exemptions of Declarant set forth in the Homeowners Declaration which are hereby incorporated into this Supplemental Declaration as if set forth in full herein. To the extent that any of the following Restrictions are more restrictive than any similar Restrictions in the Homeowners Declaration, the Restrictions in this Supplemental Declaration shall control. The strict application of the following Restrictions in any specific case may be modified or waived in whole or in part by the Architectural Review Committee under the Homeowners Declaration if such strict application would be unreasonable or unduly harsh under the circumstances. Any such modification or waiver must be in writing or be contained in written guidelines or rules promulgated by the Architectural Review Committee.

Section 4.2 No Hanging Articles. No clothing or household fabrics or other articles shall be hung, dried or aired on any Privately Owned Site or Local Common Area in such a way as to be visible from other Privately Owned Sites or from the Homeowners Association Area except to the extent otherwise provided in guidelines promulgated by the Architectural Review Committee under the Homeowners Declaration.

Section 4.3 View and Solar Obstructions. No vegetation or other Improvements shall be planted, constructed or maintained upon any Privately Owned Site in the Annexed Property in such location or of such height as to unreasonably obstruct the view from any Privately Owned Site in the vicinity thereof or so as to unreasonably obstruct the operation of any previously existing solar energy installation. In the event of a dispute between owners in the Annexed Property as to the obstruction of a view from a Privately Owned Site or of operation of a solar energy installation, such dispute shall be resolved in accordance with the provisions for Notice and Hearing contained in the

Bylaws of the Homeowners Association. Any such obstruction shall, upon request of the Board of Directors of the Homeowners Association, be removed or otherwise altered to the satisfaction of the Board of Directors of the Homeowners Association, by the Owner of the Privately Owned Site upon which said obstruction is located. Each Owner of a Privately Owned Site shall be responsible for periodic trimming and pruning of all hedges, shrubs and trees located on the Site so as to not unreasonably obstruct the view of adjacent Owners.

Section 4.4 Landscaping. Within ninety (90) days after the date of Recordation of the Annexing Deed for a Residential Site in the Annexed Property, subject, however, to reasonable delays resulting from weather conditions, or within such longer period as may be approved in writing by the Architectural Review Committee under the Homeowners Declaration or authorized in guidelines promulgated by the Architectural Review Committee under the Homeowners Declaration, the Owner of such Residential Site shall install and thereafter maintain landscaping on the Residential Site and the Street Border Area adjacent to such Residential Site in a neat and attractive condition, including all necessary landscaping and gardening to properly maintain and periodically replace when necessary any trees, plants, grass and other vegetation which may be originally placed on such Residential Site or such Street Border Area by the Declarant. The Architectural Review Committee under the Homeowners Declaration may adopt guidelines or rules to regulate landscaping permitted and required on the Privately Owned Sites and Street Border Areas in the Annexed Property as provided in the Homeowners Declaration; provided, however, that Declarant shall be exempt from compliance with such rules and regulations. In the event that any Owner shall fail to install and maintain landscaping in conformance with such guidelines or rules, or shall allow landscaping to deteriorate to a dangerous, unsafe, unsightly or unattractive condition, the Board of Directors of the Homeowners Association upon thirty (30) days prior written notice to such Owner shall have the right either (a) to seek any remedies at law or in equity which it may have or to correct such condition, or (b) after Notice and Hearing, as defined in the Homeowners Declaration, to enter upon such Owner's Privately Owned Site and the adjacent Street Border Area for the purpose of correcting such condition and such Owner shall promptly reimburse the Homeowners Association for the cost thereof, or (c) both of the foregoing. Such cost shall be subject to a Reimbursement Assessment and shall create a lien enforceable in the manner set forth in the Homeowners Declaration.

Section 4.5 Vehicle Restriction. No recreation vehicle, camper, campers not on a truck, boat, mobile home, horse trailer or other trailer, tractor, motor home or truck (other than a pickup truck) shall be stored or shall be parked anywhere within the Annexed Property or on any public or private road or street in such a manner as to be visible from any portion of the Annexed Property for longer than seventy-two (72) hours in the same place or general area or for such other period as may be approved in writing by the Architectural Review Committee under the Homeowners Declaration or authorized in guidelines promulgated by the Architectural Review Committee under the Homeowners Declaration. Any such vehicle may be kept only within a garage, an enclosed structure approved by the Architectural Review Committee under the Homeowners Declaration or within a parking area designated by the Homeowners Association for storage and parking of such vehicles. No inoperable vehicle shall be repaired, constructed or allowed to remain on any portion of the Annexed Property or on any private or public street or road in such a manner as to be visible from any portion of the Homeowners Association Area. No vehicle, including, but not limited to, motorcycles, motorbikes, snowmobiles, bicycles, automobiles, trucks and trailers may be kept or used anywhere within the Annexed Property in violation of any applicable Rules and Regulations of the Homeowners Association. Such Rules and Regulations, among other things, may prohibit the keeping or use of motorcycles, motorbikes, snowmobiles or other loud or offensive vehicles, or may limit their use, and may regulate places of parking of such vehicles.

Section 4.6 Animals. No animals of any kind shall be raised, bred or kept in the Annexed Property except as hereinafter provided. A reasonable number of dogs, cats or other household pets may be kept on a Residential Site, provided that (a) they are not kept, bred or maintained for any commercial purposes, (b) they do not make objectionable noises or otherwise constitute an unreasonable nuisance to other Owners, (c) they are kept within an enclosed yard on the Residential Site occupied by the Owner of such pets or on a leash being held by a Person capable of controlling the animal, and (d) they are not in violation of any other provision of the Homeowners Declaration and such limitations as may be set forth in the Rules and Regulations of the Homeowners Association. A "reasonable number" as used in this Section 4.6 shall ordinarily mean no more than two (2) pets per Site; provided, however, that the Board of Directors of the Homeowners Association or such other Person as the Board of Directors of the Homeowners Association may from time to time designate, may from time to time determine that a reasonable number in any instance may be more or less than two (2). The Homeowners Association, acting through the Board of the Homeowners Association, shall have the right to prohibit maintenance of any animal which, in the sole opinion of the Board of the Homeowners Association, is not being maintained in accordance with the foregoing restrictions. Each Owner maintaining any animal, and any Related User, shall be liable in accordance with Colorado Law to each and all remaining Owners and Related Users of such Owners for any damage to person or property caused by any such animal; and it shall be the absolute duty and responsibility of each such Owner or Related User to clean up after such animals to the extent they have used any portion of the Privately Owned Site of another Owner or any Local Common Area or Homeowners Association Properties.

Section 4.7 Restriction on Exterior Lighting. Except as may be approved in writing by the Architectural Review Committee under the Homeowners Declaration or in guidelines promulgated by the Architectural Review Committee under the Homeowners Declaration, no exterior lighting shall be permitted anywhere within the Annexed Property, including lighting to accent landscaping features, lights at entrance doors to structures, lights at entrances to property, lights along paths or driveways and lights to illuminate permitted signs. Any permitted exterior lights shall be of attractive design and shall be as small in size as is reasonably practical and shall be placed or located as directed or approved in writing by the Architectural Review Committee under the Homeowners Declaration or in guidelines promulgated by the Architectural Review Committee under the Homeowners Declaration.

Section 4.8 Casualty Insurance for Improvements. Each Owner of a Privately Owned Site within the Annexed Property shall be obligated to obtain and keep in full force and effect at all times casualty insurance with respect to all insurable Improvements on the Privately Owned Site for the full replacement value thereof, including coverage for fire and extended coverage, vandalism and malicious mischief and, if available and if deemed appropriate by the Homeowners Association as evidenced by a resolution of the Board of Directors, including flood, earthquake or war risk. In the event of damage or destruction to any insured Improvements, the proceeds of such insurance shall be applied by the Owner thereof, to the extent necessary, to cause the damage or destroyed Improvement to be restored or replaced to its original condition or such other condition as may be approved in writing by the Architectural Review Committee or to cause the damaged or destroyed Improvement to be demolished and the Privately Owned Site to be suitably landscaped so as to present a pleasing and attractive appearance.

Section 4.9 Solar Energy Installations. The Architectural Review Committee under the Homeowners Declaration shall approve the plans and specifications for the installation of

residential solar systems, provided that the Architectural Review Committee under the Homeowners Declaration determines that such plans and specifications demonstrate the exercise of reasonable measures to minimize the potential adverse aesthetic impact of the installation on other portions of the Homeowners Association Area. Any such Architectural Review Committee approval shall have no effect upon the enforceability of any other use Restriction in the Homeowners Declaration or this Supplemental Declaration. The Architectural Review Committee under the Homeowners Declaration may promulgate reasonable standards and guidelines against which to examine any such plans and specifications, in accordance with Article X of the Homeowners Declaration. Any such standards or guidelines restricting the installation or use of a solar energy system shall not significantly increase the cost of the system, nor significantly decrease its efficiency.

Section 4.10 Garage Sales. No garage, patio, porch or lawn sale shall be held on any Residential Site within the Annexed Property, except that the Owner of any such Residential Site may conduct such a sale for up to three (3) consecutive days not more than twice in any calendar year if (a) the items sold are only his own furniture and furnishings, not acquired for purposes of resale; (b) such sale is held at such time and in such manner as not to unreasonably disturb any other resident of the area; and (c) such sale is held in full compliance with the requirements of all applicable Law.

Section 4.11 Party Walls. Except as hereinafter provided, the rights and duties of Owners of contiguous Residential Sites within the Annexed Property, if any, which have shared walls or fences ("Party Walls") shall be as follows: (a) each Owner shall have the right to use the Party Wall, provided that such use does not interfere with the other Owner's use and enjoyment thereof; (b) if a Party Wall is damaged or destroyed through the willful or negligent act of an Owner or the Owner's Related Users, such Owner shall be obligated to rebuild and repair the Party Wall at such Owner's sole expense, and any dispute over such Owner's liability shall be resolved as provided in subsection (d) below; (c) in the event any Party Wall is damaged or destroyed other than by the willful or negligent act of an adjoining Owner or the Owner's Related Users, or deteriorates from ordinary wear and tear, it shall be the joint obligation of all Owners whose Residential Sites adjoin such Party Wall immediately to rebuild and repair such Party Wall, such expense to be ratably divided among such Owners on the basis of the amount of frontage of their respective Residential Sites on the damaged or destroyed Party Wall; (d) in the event of a dispute between Owners with respect to a Party Wall or the sharing of the cost thereof, such Owners shall submit the dispute to the Architectural Review Committee, whose decision shall be binding unless appealed to the Board of the Homeowners Association, in which event the Board's decisions, following Notice and Hearing, shall be binding and final; provided, however, that notwithstanding any such decision, no Owner shall be prohibited from seeking indemnity or damages from the party causing the damage; and (e) any wall or fence lying completely upon any portion of the Homeowners Association Property or Local Common Area, including any such wall or fence which lies adjacent to a Residential Site, shall not be considered a Party Wall under this Section 4.11.

Section 4.12 Window Coverings. No external window covering or reflective covering may be placed, or permitted to remain, on any window of any building, structure or other Improvement within the Annexed Property without the prior written approval of the Architectural Review Committee.

ARTICLE V
MISCELLANEOUS PROVISIONS

Section 5.1 **Term of Supplemental Declaration.** Unless amended as herein provided, each provision contained in this Supplemental Declaration which is subject to the laws or rules sometimes referred to as the rule against perpetuities or the rule prohibiting unreasonable restraints on alienation shall continue and remain in full force and effect for the period of twenty-one (21) years following the death of the survivor of Jeffrey F. Kappes, John Kilrow and Chester T. Latcham and the now living children of said persons, or until this Supplemental Declaration is terminated as hereinafter provided, whichever first occurs. Unless amended as herein provided, all other provisions or Restrictions contained in this Supplemental Declaration shall be effective until December 31, 2052, and, thereafter, shall be automatically extended for successive periods of ten (10) years each unless terminated by first obtaining the written consent of the Homeowners Association and then obtaining the vote, by written ballot, of Members holding at least seventy-five percent (75%) of the voting power of Members of the Homeowners Association present in person or by proxy at a duly constituted meeting of the Members. The termination of this Supplemental Declaration shall be effective upon the Recording of a certificate, executed by the President or a Vice President and the Secretary or an Assistant Secretary of the Homeowners Association stating that this Supplemental Declaration has been terminated with the written consent of the Homeowners Association and by the vote of Members as provided herein.

Section 5.2 **Amendment of Supplemental Declaration by Declarant.** Until the first Privately Owned Site within the Includable Property is made subject to this Supplemental Declaration by the Recordation of an Annexing Deed therefor, any of the provisions or Restrictions contained in this Supplemental Declaration may be amended or terminated by Declarant by the Recordation of a written instrument, executed by Declarant, setting forth such amendment or termination. Declarant also hereby reserves and is granted the right and power to make and, where required, to Record technical amendments to this Supplemental Declaration at any time prior to the expiration of the Period of Special Declarant's Rights, for the purposes of correcting spelling, grammar, dates, cross references, typographical errors or other similar technical errors, or as may otherwise be required to clarify the meaning of any provision of this Supplemental Declaration. Additionally, Declarant reserves the right, until the expiration of the Period of Special Declarant Rights, to amend this Supplemental Declaration insofar as the same applies to a particular Privately Owned Site with respect to which the Owner thereof desires to impose a condominium ownership regime, without the consent of any Person other than the owner of such Privately Owned Site, to make conforming amendments to this Supplemental Declaration as shall reasonably be necessary to reflect such condominium ownership regime, provided that such amendments shall not violate or be inconsistent with the provisions of the Homeowners Declaration. Any such amendment shall refer to this Supplemental Declaration, shall set forth the amendments hereto, shall be executed by the Declarant and, if so required pursuant to this Section, the Owner of the Privately Owned Site affected thereby, and shall be Recorded.

Section 5.3 **Amendment of Supplemental Declaration by Members.** Except as otherwise provided in this Supplemental Declaration, any provisions or Restrictions contained in this Supplemental Declaration may be amended or repealed at any time and from time to time by first obtaining the written approval of the Homeowners Association and then obtaining the approval of the amendment or repeal by Members holding at least sixty-seven percent (67%) of the voting Power of the Homeowners Association present in person or by proxy at a duly constituted meeting of Members. The approval of any such amendment or repeal shall be evidenced by the certification by the Secretary of

the Homeowners Association to the Board of Directors of the Homeowners Association of the votes of the Members. The amendment or repeal shall be effective upon the Recordation of a certificate, executed by the President or a Vice President and the Secretary or an Assistant Secretary of the Homeowners Association setting forth the amendment or repeal in full and certifying that the amendment or repeal has been approved in writing by the Homeowners Association, and approved by the Members as set forth herein.

Section 5.4 Amendment Required by Government Mortgage Agencies.

Notwithstanding the provisions of Section 5.3 hereof requiring approval of an amendment or repeal by Members holding at least sixty-seven percent (67%) of the voting power of the Members, if Declarant shall determine that any amendments to this Supplemental Declaration shall be necessary in order for existing or future mortgages, deeds of trust or other security instruments to be acceptable to any of the Government Mortgage Agencies, then, subject to the following sentence of this Section, Declarant shall have and hereby specifically reserves the right and power to make and execute any such amendments without obtaining the approval of any Owners or First Mortgagees or any other Mortgagee. Each such amendment of this Supplemental Declaration shall be made, if at all, by Declarant prior to the expiration of the Period of Special Declarant's Rights, and each such amendment must contain thereon the written approval of the VA or HUD, to the extent required by VA or HUD.

Section 5.5. Required Consent of Declarant to Amendment or Termination.

Notwithstanding any other provision in this Supplemental Declaration to the contrary, any proposed amendment, repeal or termination of any provision of this Supplemental Declaration shall not be effective unless Declarant has given its written consent to such amendment, repeal or termination, which consent may be evidenced by the execution by Declarant of any certificate of amendment, repeal or termination. The foregoing requirement for consent of Declarant to any amendment, repeal or termination shall terminate upon the expiration of the Period of Special Declarant's Rights.

Section 5.6 Withdrawal of Annexed Property. The Annexed Property may be withdrawn from coverage of this Supplemental Declaration in accordance with the provisions of Section 3.4 of the Homeowners Declaration.

Section 5.7 Mortgagee Protection. The provisions of Sections 13.7 through 13.15 of the Homeowners Declaration are hereby ratified and confirmed and incorporated in this Supplemental Declaration as if repeated herein in full. In addition, (a) consistent with Section 13.7 of the Homeowners Declaration, any First Mortgagee of a Mortgage encumbering a Privately Owned Site in the Annexed Property subject to this Supplemental Declaration shall, upon filing a written request therefore with the Homeowners Association, be entitled to receive at least thirty (30) days written notice prior to the effective date of any proposed material amendment to this Supplemental Declaration; (b) consistent with Section 13.13 of the Homeowners Declaration, there shall be no amendment of any material provision of this Supplemental Declaration unless at least fifty-one percent (51%) of the Eligible First Mortgagees of Mortgages encumbering Privately Owned Sites in the Annexed Property subject to this Supplemental Declaration [based upon one (1) vote for each Mortgage owned] have given their written approval; and (c) consistent with Section 13.14 of the Homeowners Declaration, the prior approval of the HUD or VA in accordance with the procedures set forth in said Section 13.14, shall be required for any amendment of this Supplemental Declaration during the Period of Declarant Control and provided that HUD or the VA is insuring or guarantying or has agreed to insure or guaranty loans in any portion of the Annexed Property with respect to initial sales of Privately Owned Sites by Declarant, or its successors or assigns, in the Annexed Property.

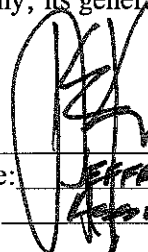
Section 5.8 Notice, Enforcement and Other Provisions. The provisions of Sections 13.16 through 13.30 of the Homeowners Declaration are hereby incorporated in this Supplemental Declaration as if repeated herein in full except that, for purposes of this Supplemental Declaration the term "Homeowners Declaration" or "Declaration" when used in said Sections shall, in each case, be deemed to refer to this Supplemental Declaration.

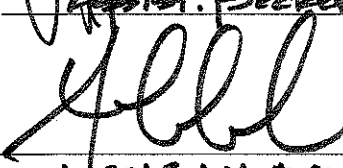
Section 5.9 Successors and Assigns of Declarant. A party shall be deemed a "successor" or an "assign" of Shea Homes Limited Partnership ("SHLP") under this Supplemental Declaration only if specifically designated in a duly recorded instrument as a successor or assign of SHLP under this Supplemental Declaration or if specifically designated in a duly recorded instrument as a successor or assign of SHLP as Declarant generally under the Homeowners Declaration (as opposed to designation as a successor or assign of SHLP under certain provisions of the Homeowners Declaration or with respect to only certain property made subject to the Homeowners Declaration). However, a successor to SHLP by consolidation or merger, and any Person acquiring all or substantially all of the right, title and interest of SHLP in Reunion by foreclosure, judicial sale, bankruptcy proceedings or by other similar involuntary transfer, shall automatically be deemed a successor and assign of SHLP under this Supplemental Declaration.

IN WITNESS WHEREOF, Declarant has executed this Supplemental Declaration the day and year first above written.

SHEA HOMES LIMITED PARTNERSHIP, a California limited partnership

By: J. F. SHEA LLC, a Delaware limited liability company, its general partner

By: 
Name: JEFFREY F. FAPPAS
Title: ASSIST. SECRETARY

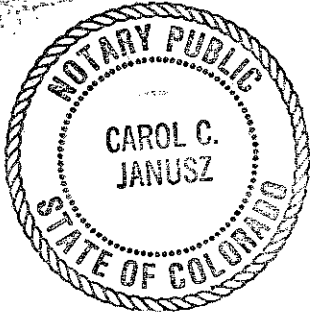
By: 
Name: JEFFREY N. DONELSON
Title: ASSISTANT SECRETARY

STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this 23rd day of July, 2003, by Jeffrey F. Kappis as Asst. Secretary and Jeffrey H. Donelson as Asst. Secretary of J. F. Shea LLC, a Delaware limited liability company, as general partner of Shea Homes Limited Partnership, a California limited partnership.

Witness my hand and official seal.

My commission expires: My Commission Expires 07-12-04



Carol C. Janusz
Notary Public

EXHIBIT A
TO
SUPPLEMENTAL DECLARATION NO. 5
FOR
FUTURE ANNEXATIONS OF
ANNEXED PROPERTY
TO
REUNION HOMEOWNERS ASSOCIATION, INC.

(Lots 1-70, Reunion Filing No. 4)

Legal Description of Includable Property

Lots 1 through 70, inclusive, Reunion Filing No. 4, City of Commerce City, County of Adams, State of Colorado, according to the recorded plat thereof



Recording Requested by, and
When Recorded Mail to:

SHEA HOMES LIMITED PARTNERSHIP
9135 RIDGELINE BOULEVARD, SUITE 100
HIGHLANDS RANCH, CO 80129
ATTN: LEGAL DEPARTMENT

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SUPPLEMENTAL DECLARATION NO. 4

FOR

FUTURE ANNEXATIONS OF
ANNEXED PROPERTY

TO

REUNION HOMEOWNERS ASSOCIATION, INC.

(Lots 146-158, Reunion Filing No. 1, and
Lots 38-62, 95-132, and 157-162, Reunion Filing No. 3)

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SUPPLEMENTAL DECLARATION NO. 4

FOR

FUTURE ANNEXATIONS OF

ANNEXED PROPERTY

TO

REUNION HOMEOWNERS ASSOCIATION, INC.

(Lots 146-158, Reunion Filing No. 1, and
Lots 38-62, 95-132, and 157-162, Reunion Filing No. 3)

This Supplemental Declaration is made this 2nd day of July, 2003, by SHEA HOMES LIMITED PARTNERSHIP, a California limited partnership ("Declarant").

PREAMBLE

A. Declarant is the Declarant under the Declaration for Reunion Homeowners Association, Inc. (defined hereinafter as the "Homeowners Declaration").

B. Declarant is the Owner of certain real property described hereinafter in this Supplemental Declaration as the Includable Property.

C. The Includable Property described in this Supplemental Declaration is a portion of certain real property described as the Annexable Area in the Homeowners Declaration which Declarant intends be subdivided and improved as a planned community to be known as Reunion in accordance with the Homeowners Declaration. Section 3.2 of the Homeowners Declaration authorizes the phased annexation of real property to the Homeowners Association Area from time to time and provides that a Privately Owned Site shall be annexed to the Homeowners Association Area under the Homeowners Declaration and be subject to the Homeowners Declaration upon the Recordation of a Supplemental Declaration for such Privately Owned Site. Said Section 3.2 further provides that more than one Recorded instrument may together constitute a Supplemental Declaration and that such instruments may provide that such annexation may occur only upon the Recordation of the last of such instruments to be Recorded. In furtherance of the Homeowners Declaration and the PUD Zone Document as hereinafter defined, Declarant desires that the Includable Property be improved, owned and conveyed in accordance with the terms of the Homeowners Declaration and to provide for the annexation of the Includable Property to the Homeowners Declaration and this Supplemental Declaration in phases from time to time. **In accordance therewith, Declarant desires that the Owners who own portions of the Includable Property shall, from and after the date the same is annexed to the Homeowners Declaration and this Supplemental Declaration, as more particularly hereinafter provided, be subject to the provisions of the Homeowners Declaration and this Supplemental Declaration.**

D. Pursuant to Article III of the Homeowners Declaration, Declarant desires to impose additional covenants, conditions, restrictions and reservations on the Annexed Property, as hereinafter provided.

NOW, THEREFORE, IN ACCORDANCE WITH THE FOREGOING, DECLARANT HEREBY DECLARES AS FOLLOWS:

ARTICLE I
DEFINITIONS

Section 1.1 **General.** Unless as the context otherwise requires and unless otherwise expressly provided herein, the capitalized terms in this Supplemental Declaration shall have the same meaning as any similarly capitalized term defined in the Homeowners Declaration. The following words and phrases when used in this Supplemental Declaration shall have the meaning hereinafter specified.

Section 1.2 **Includable Property.** "Includable Property" shall mean the real property described in Exhibit A attached hereto and incorporated by reference herein. The Includable Property includes all rights and easements, if any, appurtenant to the real property described in Exhibit A attached hereto. The use and enjoyment of any of such rights and easements by any person shall, from and after the date upon which the portion of the Includable Property to which such rights and easements are appurtenant has been annexed to the Homeowners Declaration and this Supplemental Declaration as hereinafter provided, be subject to the terms and provisions of this Supplemental Declaration. The Includable Property may be contracted as provided in Section 2.2 of this Supplemental Declaration.

Section 1.3 **Annexed Property.** "Annexed Property" shall mean, as of any particular time, those portions of the Includable Property which, pursuant to the provisions hereinafter set forth, have theretofore been annexed to the Homeowners Declaration and this Supplemental Declaration. As of the time of recording this Supplemental Declaration, no portion of the Includable Property has been so annexed and therefore none of the Includable Property yet constitutes Annexed Property.

Section 1.4 **Annexing Deed.** "Annexing Deed" shall mean, for each particular portion of the Includable Property, the first to occur of any of (a) the first deed (other than an "Excluded Conveyance," as hereinafter defined), executed by the Owner of such portion, which shall be Recorded after the Recordation of this Supplemental Declaration by which title to such portion of the Includable Property shall be conveyed by such Owner to another party, (b) another instrument executed by the Owner of such portion, and if such Owner is other than Declarant, containing the executed and acknowledged written consent of Declarant to such instrument, referring to this Supplemental Declaration and stating that such instrument shall constitute an Annexing Deed for such portion of the Includable Property for the purposes hereof, or (c) any deed (other than any Excluded Conveyance) made in connection with an involuntary transfer of such portion of the Includable Property (other than a "Declarant Related Foreclosure Conveyance," as hereinafter defined), including, without limitation, any treasurer's deed made in connection with a tax sale of such portion of the Includable Property or any sheriff's deed or public trustee's deed made in connection with any foreclosure, whether a judicial foreclosure or a foreclosure through the public trustee, of a Mortgage, as defined in the Homeowners Declaration, encumbering such portion of the Includable Property, or any deed in lieu of foreclosure of any such Mortgage (other than a Declarant Related Foreclosure Conveyance); provided, however, that, notwithstanding the foregoing, the term "Annexing Deed" shall, without limitation, specifically exclude any Excluded Conveyance. "Excluded Conveyance" shall mean any of (i) any deed from Declarant to

any other party whatsoever unless such deed shall expressly refer to this Supplemental Declaration and state that such deed shall constitute an Annexing Deed for the purposes hereof, (ii) any deed from the Owner, other than Declarant, of such portion of the Includable Property to another party if such deed shall expressly refer to this Supplemental Declaration and state that such deed shall not constitute an Annexing Deed for the purposes hereof and shall contain the executed and acknowledged written consent of Declarant that such deed shall not constitute an Annexing Deed for the purposes hereof, (iii) any bona fide Mortgage encumbering such portion of the Includable Property, provided that, as is more particularly provided above, a deed made in connection with, or in lieu of, a foreclosure of such Mortgage shall constitute an Annexing Deed for the purposes hereof, or (iv) any sheriff's deed or public trustee's deed made in connection with any foreclosure, whether a judicial foreclosure or a foreclosure through the public trustee, of a Mortgage made or granted by Declarant encumbering the Includable Property or a portion thereof, or any deed in lieu of foreclosure of any such Mortgage made or granted by Declarant (collectively, a "Declarant Related Foreclosure Conveyance").

Section 1.5 Homeowners Declaration. "Homeowners Declaration" shall mean the Declaration for Reunion Homeowners Association, Inc. dated August 19, 2002, Recorded August 27, 2002, at Reception No. 1015874 of the records in the office of the Clerk and Recorder of Adams County, Colorado, as the same may be amended from time to time.

Section 1.6 PUD Zone Document. "PUD Zone Document" shall mean the Reunion PUD Zone Document (PUD #3615), Amendment #1 of the Buffalo Hills Ranch PUD Zone Document, recorded December 17, 2002 under Reception No. C1068494 of the records in the office of the Clerk and Recorder of Adams County, Colorado, as the same heretofore may have been, and hereafter may be, amended from time to time.

Section 1.7 Street Border Areas. "Street Border Area" shall mean any area which has been platted as a portion of a street right-of-way and which lies between the boundaries of a Residential Site within the Annexed Property and the pavement or curbing of the street. Street Border Areas shall not include any driveways or walks.

ARTICLE II

ANNEXATION TO HOMEOWNERS ASSOCIATION AREA

Section 2.1 Manner and Effect of Annexation. Portions of the Includable Property may, from time to time, become part of the Homeowners Association Area and subject to the Homeowners Declaration and this Supplemental Declaration, and thereby constitute Annexed Property for the purposes of this Supplemental Declaration, effective upon the Recordation of an Annexing Deed for such portion of the Includable Property in the office of the Clerk and Recorder of Adams County, Colorado. Upon Recordation of an Annexing Deed for a portion of the Includable Property as aforesaid, such portion shall thereupon, automatically and without any further action by any other party, constitute Annexed Property and such Annexed Property, and each part thereof, shall, from and after the date of such Recordation, be owned, held, transferred, conveyed, sold, leased, rented, hypothecated, encumbered, used, occupied, maintained, altered and improved subject to the Restrictions and other provisions set forth in the Homeowners Declaration and this Supplemental Declaration, for the duration thereof. In such case, this Supplemental Declaration and the Annexing Deed for a portion of the Includable Property shall together constitute the "Supplemental Declaration" for such portion of the Includable Property for the purposes of Section 3.2 of the Homeowners Declaration. Conversely, unless and until an Annexing Deed for a portion of the Includable Property is

Recorded, such portion of the Includable Property shall not be subject to the Homeowners Declaration or this Supplemental Declaration, none of the Restrictions in either the Homeowners Declaration or this Supplemental Declaration shall be construed to affect, encumber, apply to or constitute a cloud upon title to such portion of the Includable Property, and the Owner of such portion of the Includable Property shall not, by virtue of such ownership, be entitled to any of the rights and benefits to which Members of the Homeowners Association are entitled pursuant to the Homeowners Declaration and this Supplemental Declaration. Consequently, it is the express intention of Declarant in executing this Declaration that the Restrictions and other provisions set forth in this Supplemental Declaration which apply to Annexed Property shall apply to the Includable Property, or portion thereof, only from and after the date the Includable Property, or portion thereof, becomes Annexed Property in accordance with the foregoing provisions. Notwithstanding the foregoing, however, for purposes of compliance with the so-called Rule Against Perpetuities, no Annexing Deed shall be effective to so annex any portion of the Includable Property to the Homeowners Declaration and this Supplemental Declaration if such Annexing Deed shall be Recorded on or after the date which is 21 years following the death of the survivor of Jeffrey F. Kappes, John Kilrow and Chester T. Latcham and the now living descendants of said persons.

Section 2.2 No Annexation Required; Contraction of Includable Property.

Notwithstanding any other provision of this Supplemental Declaration to the contrary, nothing in this Supplemental Declaration shall be construed to obligate the Includable Property, or any portion thereof, to be made subject to the Homeowners Declaration or this Supplemental Declaration. Declarant expressly reserves the right, in its sole discretion, to make or cause to be made the Includable Property, or any portion thereof, to be subject to the Homeowners Declaration pursuant to one or more other Supplemental Declarations or to determine not to make the Includable Property, or any portion thereof, subject to the Homeowners Declaration. Additionally, the Includable Property may, in Declarant's sole discretion, from time to time be contracted to delete any portion of the Includable Property, provided that such portion has not theretofore been made a part of the Annexed Property as provided herein, effective upon the Recordation of a written instrument, executed by Declarant, referring to this Supplemental Declaration, describing such portion and declaring that such portion shall thereafter be deleted from the Includable Property under this Supplemental Declaration.

Section 2.3 General Plan. This Supplemental Declaration is hereby established as a part of, pursuant to and in furtherance of a common and general plan in accordance with the Homeowners Declaration and the PUD Zone Document for the improvement and ownership of the Annexed Property and for the purpose of enhancing and protecting the value, desirability and attractiveness of the Annexed Property.

Section 2.4 Equitable Servitudes. The Restrictions set forth in the Homeowners Declaration and this Supplemental Declaration are hereby imposed as equitable servitudes upon the Annexed Property, including without limitation, upon each Privately Owned Site, Homeowners Association Property, Local Common Area and other parcel of property within the Annexed Property, as a servient tenement, for the benefit of each and every other Privately Owned Site, Homeowners Association Property, Local Common Area or other parcel of property within the Homeowners Association Area, as the dominant tenements.

Section 2.5 Restrictions Appurtenant. The Restrictions set forth in the Homeowners Declaration and this Supplemental Declaration shall run with, inure to the benefit of, and be binding upon, (a) all of the Annexed Property; (b) each Privately Owned Site located within the Annexed Property; and (c) any Homeowners Association Properties or Local Common Area located

within the Annexed Property. The Restrictions set forth in the Homeowners Declaration and this Supplemental Declaration which are imposed upon the Annexed Property by this Supplemental Declaration shall inure to the benefit of: (i) the Annexed Property, (ii) Declarant and its successors and assigns, (iii) the Homeowners Association and its successors and assigns, (iv) each Member of the Homeowners Association and any property within the Homeowners Association Area owned by such a Member, and (v) all persons having or hereafter acquiring any right, title or interest in all or any portion of the Annexed Property and their heirs, personal representatives, successors, and assigns.

Section 2.6 Land Classification. Each Lot within the Annexed Property is hereby designated, pursuant to Article III of the Homeowners Declaration, to be a Privately Owned Site, each of which also constitute both a Residential Site and a Single Family Residential Site as defined in the Homeowners Declaration.

Section 2.7 No Homeowners Association Property. No portion of the Annexed Property is or shall be Homeowners Association Property as defined in the Homeowners Declaration.

Section 2.8 No Subassociation. As of the date of this Supplemental Declaration, it is not anticipated that there shall be a Subassociation for the Annexed Property.

Section 2.9 Commencement of Assessments. As provided in Section 8.14 of the Homeowners Declaration, Common Assessments shall commence as to each Privately Owned Site within the Annexed Property as of the date upon which the Annexing Deed for such Privately Owned Site is Recorded.

Section 2.10 Designation of Permitted Dwelling Units. Each Dwelling Unit constructed or to be constructed, in accordance with the provisions of the Homeowners Declaration and this Supplemental Declaration, on a Privately Owned Site within the Annexed Property, as shown on the Recorded subdivision plat(s) affecting such Privately Owned Site, shall be deemed a Permitted Dwelling Unit under the Homeowners Declaration.

ARTICLE III HOMEOWNERS ASSOCIATION PROPERTIES

Section 3.1 Member's Rights of Use and Enjoyment. Subject to the provisions of the Homeowners Declaration, each Owner of a Privately Owned Site within the Annexed Property shall have a nonexclusive right and easement for use and enjoyment of services provided by the Homeowners Association and of any Homeowners Association Properties for the purposes for which they are intended. Such right and easement shall be appurtenant to and pass with the title to the Privately Owned Site of such Member.

Section 3.2 Delegation of Rights of Use. A Member who owns a Residential Site in the Annexed Property may delegate his nonexclusive rights and easements for use and enjoyment of the services provided by the Homeowners Association and of Homeowners Association Properties to (a) any tenant who occupies a Dwelling Unit on the Residential Site of that Member; (b) any contract purchaser who occupies a Dwelling Unit on the Residential Site of that Member; (c) any Person who is part of the Common Household Group with an Owner, tenant, or contract purchaser who occupies a Dwelling Unit on the Residential Site of that Member; (d) if an Owner is a corporation, partnership or other such entity, such reasonable number of officers, directors, partners, shareholders, members or

other natural Persons with an interest in such Owner who occupy a Dwelling Unit on the Residential Site as may be permitted by the Rules and Regulations adopted by the Homeowners Association and members of the Common Household Group of such Persons; and (e) guests of an Owner, tenant, contract purchaser or member of a Common Household Group to the extent permitted by such Rules and Regulations. In order to use Homeowners Association Properties, tenants, contract purchasers or subtenants must agree, in writing with the Homeowners Association, to assume all of said Member's duties and obligations under the Homeowners Declaration and this Supplemental Declaration, except for the obligation to pay Assessments; provided, however, that said Member shall remain liable for the failure of such tenant, contract purchaser or subtenant to fulfill all such duties and obligations. Mortgagees and other Persons holding an interest in a Privately Owned Site in the Annexed Property as security for a debt or for performance of an obligation shall not be entitled to use and enjoy Homeowners Association Properties or services of the Homeowners Association prior to the time such Person forecloses its security interest and becomes an Owner of such Privately Owned Site. A Member who does not reside on or occupy a Dwelling Unit on a Privately Owned Site shall not be entitled to use and enjoy Homeowners Association Properties and services of the Homeowners Association, if a tenant or contract purchaser is occupying the Dwelling Unit on such Privately Owned Site and is, in accordance with the foregoing, entitled to use and enjoy Homeowners Association Properties and such services derived from such Member. Other Persons may be entitled, from time to time, to use Homeowners Association Properties on a temporary basis, in accordance with the Rules and Regulations adopted under, and subject to the Restrictions in, the Homeowners Declaration.

ARTICLE IV **USE RESTRICTIONS**

Section 4.1 General. All of the Annexed Property shall be held, used and enjoyed subject to the restrictions in the Homeowners Declaration, as well as the following Restrictions, except for the exemptions of Declarant set forth in the Homeowners Declaration which are hereby incorporated into this Supplemental Declaration as if set forth in full herein. To the extent that any of the following Restrictions are more restrictive than any similar Restrictions in the Homeowners Declaration, the Restrictions in this Supplemental Declaration shall control. The strict application of the following Restrictions in any specific case may be modified or waived in whole or in part by the Architectural Review Committee under the Homeowners Declaration if such strict application would be unreasonable or unduly harsh under the circumstances. Any such modification or waiver must be in writing or be contained in written guidelines or rules promulgated by the Architectural Review Committee.

Section 4.2 No Hanging Articles. No clothing or household fabrics or other articles shall be hung, dried or aired on any Privately Owned Site or Local Common Area in such a way as to be visible from other Privately Owned Sites or from the Homeowners Association Area except to the extent otherwise provided in guidelines promulgated by the Architectural Review Committee under the Homeowners Declaration.

Section 4.3 View and Solar Obstructions. No vegetation or other Improvements shall be planted, constructed or maintained upon any Privately Owned Site in the Annexed Property in such location or of such height as to unreasonably obstruct the view from any Privately Owned Site in the vicinity thereof or so as to unreasonably obstruct the operation of any previously existing solar energy installation. In the event of a dispute between owners in the Annexed Property as to the obstruction of a view from a Privately Owned Site or of operation of a solar energy installation, such

dispute shall be resolved in accordance with the provisions for Notice and Hearing contained in the Bylaws of the Homeowners Association. Any such obstruction shall, upon request of the Board of Directors of the Homeowners Association, be removed or otherwise altered to the satisfaction of the Board of Directors of the Homeowners Association, by the Owner of the Privately Owned Site upon which said obstruction is located. Each Owner of a Privately Owned Site shall be responsible for periodic trimming and pruning of all hedges, shrubs and trees located on the Site so as to not unreasonably obstruct the view of adjacent Owners.

Section 4.4 Landscaping. Within ninety (90) days after the date of Recordation of the Annexing Deed for a Residential Site in the Annexed Property, subject, however, to reasonable delays resulting from weather conditions, or within such longer period as may be approved in writing by the Architectural Review Committee under the Homeowners Declaration or authorized in guidelines promulgated by the Architectural Review Committee under the Homeowners Declaration, the Owner of such Residential Site shall install and thereafter maintain landscaping on the Residential Site and the Street Border Area adjacent to such Residential Site in a neat and attractive condition, including all necessary landscaping and gardening to properly maintain and periodically replace when necessary any trees, plants, grass and other vegetation which may be originally placed on such Residential Site or such Street Border Area by the Declarant. The Architectural Review Committee under the Homeowners Declaration may adopt guidelines or rules to regulate landscaping permitted and required on the Privately Owned Sites and Street Border Areas in the Annexed Property as provided in the Homeowners Declaration; provided, however, that Declarant shall be exempt from compliance with such rules and regulations. In the event that any Owner shall fail to install and maintain landscaping in conformance with such guidelines or rules, or shall allow landscaping to deteriorate to a dangerous, unsafe, unsightly or unattractive condition, the Board of Directors of the Homeowners Association upon thirty (30) days prior written notice to such Owner shall have the right either (a) to seek any remedies at law or in equity which it may have or to correct such condition, or (b) after Notice and Hearing, as defined in the Homeowners Declaration, to enter upon such Owner's Privately Owned Site and the adjacent Street Border Area for the purpose of correcting such condition and such Owner shall promptly reimburse the Homeowners Association for the cost thereof, or (c) both of the foregoing. Such cost shall be subject to a Reimbursement Assessment and shall create a lien enforceable in the manner set forth in the Homeowners Declaration.

Section 4.5 Vehicle Restriction. No recreation vehicle, camper, campers not on a truck, boat, mobile home, horse trailer or other trailer, tractor, motor home or truck (other than a pickup truck) shall be stored or shall be parked anywhere within the Annexed Property or on any public or private road or street in such a manner as to be visible from any portion of the Annexed Property for longer than seventy-two (72) hours in the same place or general area or for such other period as may be approved in writing by the Architectural Review Committee under the Homeowners Declaration or authorized in guidelines promulgated by the Architectural Review Committee under the Homeowners Declaration. Any such vehicle may be kept only within a garage, an enclosed structure approved by the Architectural Review Committee under the Homeowners Declaration or within a parking area designated by the Homeowners Association for storage and parking of such vehicles. No inoperable vehicle shall be repaired, constructed or allowed to remain on any portion of the Annexed Property or on any private or public street or road in such a manner as to be visible from any portion of the Homeowners Association Area. No vehicle, including, but not limited to, motorcycles, motorbikes, snowmobiles, bicycles, automobiles, trucks and trailers may be kept or used anywhere within the Annexed Property in violation of any applicable Rules and Regulations of the Homeowners Association. Such Rules and Regulations, among other things, may prohibit the keeping or use of motorcycles,

motorbikes, snowmobiles or other loud or offensive vehicles, or may limit their use, and may regulate places of parking of such vehicles.

Section 4.6 Animals. No animals of any kind shall be raised, bred or kept in the Annexed Property except as hereinafter provided. A reasonable number of dogs, cats or other household pets may be kept on a Residential Site, provided that (a) they are not kept, bred or maintained for any commercial purposes, (b) they do not make objectionable noises or otherwise constitute an unreasonable nuisance to other Owners, (c) they are kept within an enclosed yard on the Residential Site occupied by the Owner of such pets or on a leash being held by a Person capable of controlling the animal, and (d) they are not in violation of any other provision of the Homeowners Declaration and such limitations as may be set forth in the Rules and Regulations of the Homeowners Association. A "reasonable number" as used in this Section 4.6 shall ordinarily mean no more than two (2) pets per Site; provided, however, that the Board of Directors of the Homeowners Association or such other Person as the Board of Directors of the Homeowners Association may from time to time designate, may from time to time determine that a reasonable number in any instance may be more or less than two (2). The Homeowners Association, acting through the Board of the Homeowners Association, shall have the right to prohibit maintenance of any animal which, in the sole opinion of the Board of the Homeowners Association, is not being maintained in accordance with the foregoing restrictions. Each Owner maintaining any animal, and any Related User, shall be liable in accordance with Colorado Law to each and all remaining Owners and Related Users of such Owners for any damage to person or property caused by any such animal; and it shall be the absolute duty and responsibility of each such Owner or Related User to clean up after such animals to the extent they have used any portion of the Privately Owned Site of another Owner or any Local Common Area or Homeowners Association Properties.

Section 4.7 Restriction on Exterior Lighting. Except as may be approved in writing by the Architectural Review Committee under the Homeowners Declaration or in guidelines promulgated by the Architectural Review Committee under the Homeowners Declaration, no exterior lighting shall be permitted anywhere within the Annexed Property, including lighting to accent landscaping features, lights at entrance doors to structures, lights at entrances to property, lights along paths or driveways and lights to illuminate permitted signs. Any permitted exterior lights shall be of attractive design and shall be as small in size as is reasonably practical and shall be placed or located as directed or approved in writing by the Architectural Review Committee under the Homeowners Declaration or in guidelines promulgated by the Architectural Review Committee under the Homeowners Declaration.

Section 4.8 Casualty Insurance for Improvements. Each Owner of a Privately Owned Site within the Annexed Property shall be obligated to obtain and keep in full force and effect at all times casualty insurance with respect to all insurable Improvements on the Privately Owned Site for the full replacement value thereof, including coverage for fire and extended coverage, vandalism and malicious mischief and, if available and if deemed appropriate by the Homeowners Association as evidenced by a resolution of the Board of Directors, including flood, earthquake or war risk. In the event of damage or destruction to any insured Improvements, the proceeds of such insurance shall be applied by the Owner thereof, to the extent necessary, to cause the damage or destroyed Improvement to be restored or replaced to its original condition or such other condition as may be approved in writing by the Architectural Review Committee or to cause the damaged or destroyed Improvement to be demolished and the Privately Owned Site to be suitably landscaped so as to present a pleasing and attractive appearance.

Section 4.9 Solar Energy Installations. The Architectural Review Committee under the Homeowners Declaration shall approve the plans and specifications for the installation of residential solar systems, provided that the Architectural Review Committee under the Homeowners Declaration determines that such plans and specifications demonstrate the exercise of reasonable measures to minimize the potential adverse aesthetic impact of the installation on other portions of the Homeowners Association Area. Any such Architectural Review Committee approval shall have no effect upon the enforceability of any other use Restriction in the Homeowners Declaration or this Supplemental Declaration. The Architectural Review Committee under the Homeowners Declaration may promulgate reasonable standards and guidelines against which to examine any such plans and specifications, in accordance with Article X of the Homeowners Declaration. Any such standards or guidelines restricting the installation or use of a solar energy system shall not significantly increase the cost of the system, nor significantly decrease its efficiency.

Section 4.10 Garage Sales. No garage, patio, porch or lawn sale shall be held on any Residential Site within the Annexed Property, except that the Owner of any such Residential Site may conduct such a sale for up to three (3) consecutive days not more than twice in any calendar year if (a) the items sold are only his own furniture and furnishings, not acquired for purposes of resale; (b) such sale is held at such time and in such manner as not to unreasonably disturb any other resident of the area; and (c) such sale is held in full compliance with the requirements of all applicable Law.

Section 4.11 Party Walls. Except as hereinafter provided, the rights and duties of Owners of contiguous Residential Sites within the Annexed Property, if any, which have shared walls or fences ("Party Walls") shall be as follows: (a) each Owner shall have the right to use the Party Wall, provided that such use does not interfere with the other Owner's use and enjoyment thereof; (b) if a Party Wall is damaged or destroyed through the willful or negligent act of an Owner or the Owner's Related Users, such Owner shall be obligated to rebuild and repair the Party Wall at such Owner's sole expense, and any dispute over such Owner's liability shall be resolved as provided in subsection (d) below; (c) in the event any Party Wall is damaged or destroyed other than by the willful or negligent act of an adjoining Owner or the Owner's Related Users, or deteriorates from ordinary wear and tear, it shall be the joint obligation of all Owners whose Residential Sites adjoin such Party Wall immediately to rebuild and repair such Party Wall, such expense to be ratably divided among such Owners on the basis of the amount of frontage of their respective Residential Sites on the damaged or destroyed Party Wall; (d) in the event of a dispute between Owners with respect to a Party Wall or the sharing of the cost thereof, such Owners shall submit the dispute to the Architectural Review Committee, whose decision shall be binding unless appealed to the Board of the Homeowners Association, in which event the Board's decisions, following Notice and Hearing, shall be binding and final; provided, however, that notwithstanding any such decision, no Owner shall be prohibited from seeking indemnity or damages from the party causing the damage; and (e) any wall or fence lying completely upon any portion of the Homeowners Association Property or Local Common Area, including any such wall or fence which lies adjacent to a Residential Site, shall not be considered a Party Wall under this Section 4.11.

Section 4.12 Window Coverings. No external window covering or reflective covering may be placed, or permitted to remain, on any window of any building, structure or other Improvement within the Annexed Property without the prior written approval of the Architectural Review Committee.

ARTICLE V
MISCELLANEOUS PROVISIONS

Section 5.1 Term of Supplemental Declaration. Unless amended as herein provided, each provision contained in this Supplemental Declaration which is subject to the laws or rules sometimes referred to as the rule against perpetuities or the rule prohibiting unreasonable restraints on alienation shall continue and remain in full force and effect for the period of twenty-one (21) years following the death of the survivor of Jeffrey F. Kappes, John Kilrow and Chester T. Latcham and the now living children of said persons, or until this Supplemental Declaration is terminated as hereinafter provided, whichever first occurs. Unless amended as herein provided, all other provisions or Restrictions contained in this Supplemental Declaration shall be effective until December 31, 2052, and, thereafter, shall be automatically extended for successive periods of ten (10) years each unless terminated by first obtaining the written consent of the Homeowners Association and then obtaining the vote, by written ballot, of Members holding at least seventy-five percent (75%) of the voting power of Members of the Homeowners Association present in person or by proxy at a duly constituted meeting of the Members. The termination of this Supplemental Declaration shall be effective upon the Recording of a certificate, executed by the President or a Vice President and the Secretary or an Assistant Secretary of the Homeowners Association stating that this Supplemental Declaration has been terminated with the written consent of the Homeowners Association and by the vote of Members as provided herein.

Section 5.2 Amendment of Supplemental Declaration by Declarant. Until the first Privately Owned Site within the Includable Property is made subject to this Supplemental Declaration by the Recordation of an Annexing Deed therefor, any of the provisions or Restrictions contained in this Supplemental Declaration may be amended or terminated by Declarant by the Recordation of a written instrument, executed by Declarant, setting forth such amendment or termination. Declarant also hereby reserves and is granted the right and power to make and, where required, to Record technical amendments to this Supplemental Declaration at any time prior to the expiration of the Period of Special Declarant's Rights, for the purposes of correcting spelling, grammar, dates, cross references, typographical errors or other similar technical errors, or as may otherwise be required to clarify the meaning of any provision of this Supplemental Declaration. Additionally, Declarant reserves the right, until the expiration of the Period of Special Declarant Rights, to amend this Supplemental Declaration insofar as the same applies to a particular Privately Owned Site with respect to which the Owner thereof desires to impose a condominium ownership regime, without the consent of any Person other than the owner of such Privately Owned Site, to make conforming amendments to this Supplemental Declaration as shall reasonably be necessary to reflect such condominium ownership regime, provided that such amendments shall not violate or be inconsistent with the provisions of the Homeowners Declaration. Any such amendment shall refer to this Supplemental Declaration, shall set forth the amendments hereto, shall be executed by the Declarant and, if so required pursuant to this Section, the Owner of the Privately Owned Site affected thereby, and shall be Recorded.

Section 5.3 Amendment of Supplemental Declaration by Members. Except as otherwise provided in this Supplemental Declaration, any provisions or Restrictions contained in this Supplemental Declaration may be amended or repealed at any time and from time to time by first obtaining the written approval of the Homeowners Association and then obtaining the approval of the amendment or repeal by Members holding at least sixty-seven percent (67%) of the voting Power of the Homeowners Association present in person or by proxy at a duly constituted meeting of Members. The approval of any such amendment or repeal shall be evidenced by the certification by the Secretary of

the Homeowners Association to the Board of Directors of the Homeowners Association of the votes of the Members. The amendment or repeal shall be effective upon the Recordation of a certificate, executed by the President or a Vice President and the Secretary or an Assistant Secretary of the Homeowners Association setting forth the amendment or repeal in full and certifying that the amendment or repeal has been approved in writing by the Homeowners Association, and approved by the Members as set forth herein.

Section 5.4 Amendment Required by Government Mortgage Agencies.

Notwithstanding the provisions of Section 5.3 hereof requiring approval of an amendment or repeal by Members holding at least sixty-seven percent (67%) of the voting power of the Members, if Declarant shall determine that any amendments to this Supplemental Declaration shall be necessary in order for existing or future mortgages, deeds of trust or other security instruments to be acceptable to any of the Government Mortgage Agencies, then, subject to the following sentence of this Section, Declarant shall have and hereby specifically reserves the right and power to make and execute any such amendments without obtaining the approval of any Owners or First Mortgagees or any other Mortgagee. Each such amendment of this Supplemental Declaration shall be made, if at all, by Declarant prior to the expiration of the Period of Special Declarant's Rights, and each such amendment must contain thereon the written approval of the VA or HUD, to the extent required by VA or HUD.

Section 5.5. Required Consent of Declarant to Amendment or Termination.

Notwithstanding any other provision in this Supplemental Declaration to the contrary, any proposed amendment, repeal or termination of any provision of this Supplemental Declaration shall not be effective unless Declarant has given its written consent to such amendment, repeal or termination, which consent may be evidenced by the execution by Declarant of any certificate of amendment, repeal or termination. The foregoing requirement for consent of Declarant to any amendment, repeal or termination shall terminate upon the expiration of the Period of Special Declarant's Rights.

Section 5.6 Withdrawal of Annexed Property. The Annexed Property may be withdrawn from coverage of this Supplemental Declaration in accordance with the provisions of Section 3.4 of the Homeowners Declaration.

Section 5.7 Mortgagee Protection. The provisions of Sections 13.7 through 13.15 of the Homeowners Declaration are hereby ratified and confirmed and incorporated in this Supplemental Declaration as if repeated herein in full. In addition, (a) consistent with Section 13.7 of the Homeowners Declaration, any First Mortgagee of a Mortgage encumbering a Privately Owned Site in the Annexed Property subject to this Supplemental Declaration shall, upon filing a written request therefore with the Homeowners Association, be entitled to receive at least thirty (30) days written notice prior to the effective date of any proposed material amendment to this Supplemental Declaration; (b) consistent with Section 13.13 of the Homeowners Declaration, there shall be no amendment of any material provision of this Supplemental Declaration unless at least fifty-one percent (51%) of the Eligible First Mortgagees of Mortgages encumbering Privately Owned Sites in the Annexed Property subject to this Supplemental Declaration [based upon one (1) vote for each Mortgage owned] have given their written approval; and (c) consistent with Section 13.14 of the Homeowners Declaration, the prior approval of the HUD or VA in accordance with the procedures set forth in said Section 13.14, shall be required for any amendment of this Supplemental Declaration during the Period of Declarant Control and provided that HUD or the VA is insuring or guarantying or has agreed to insure or guaranty loans in any portion of the Annexed Property with respect to initial sales of Privately Owned Sites by Declarant, or its successors or assigns, in the Annexed Property.

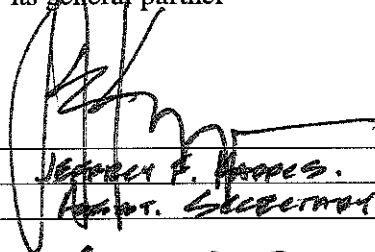
Section 5.8 Notice, Enforcement and Other Provisions. The provisions of Sections 13.16 through 13.30 of the Homeowners Declaration are hereby incorporated in this Supplemental Declaration as if repeated herein in full except that, for purposes of this Supplemental Declaration the term "Homeowners Declaration" or "Declaration" when used in said Sections shall, in each case, be deemed to refer to this Supplemental Declaration.


Section 5.9 Successors and Assigns of Declarant. A party shall be deemed a "successor" or an "assign" of Shea Homes Limited Partnership ("SHLP") under this Supplemental Declaration only if specifically designated in a duly recorded instrument as a successor or assign of SHLP under this Supplemental Declaration or if specifically designated in a duly recorded instrument as a successor or assign of SHLP as Declarant generally under the Homeowners Declaration (as opposed to designation as a successor or assign of SHLP under certain provisions of the Homeowners Declaration or with respect to only certain property made subject to the Homeowners Declaration). However, a successor to SHLP by consolidation or merger, and any Person acquiring all or substantially all of the right, title and interest of SHLP in Reunion by foreclosure, judicial sale, bankruptcy proceedings or by other similar involuntary transfer, shall automatically be deemed a successor and assign of SHLP under this Supplemental Declaration.

IN WITNESS WHEREOF, Declarant has executed this Supplemental Declaration the day and year first above written.

SHEA HOMES LIMITED PARTNERSHIP, a California limited partnership

By: J. F. SHEA LLC, a Delaware limited liability company, its general partner

By: 
Name: JEFFREY F. APPES.
Title: ASST. SECRETARY.

By: 
Name: JEFFREY H. DANELSON
Title: ASSISTANT SECRETARY

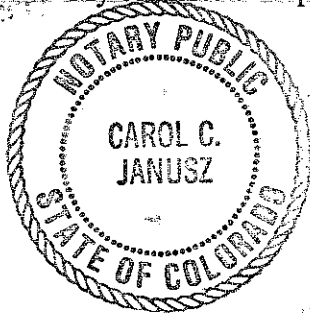
STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this 2nd day of July, 2003, by Jeffrey F. Kuppel as Asst. Secretary and Jeffrey W. Donelson as Asst. Secretary of J. F. Shea LLC, a Delaware limited liability company, as general partner of Shea Homes Limited Partnership, a California limited partnership.

Witness my hand and official seal.

My Commission Expires 07-12-04

My commission expires: _____



Carol C. Janusz
Notary Public

EXHIBIT A
TO
SUPPLEMENTAL DECLARATION NO. 4
FOR
FUTURE ANNEXATIONS OF
ANNEXED PROPERTY
TO
REUNION HOMEOWNERS ASSOCIATION, INC.

(Lots 146-158, Reunion Filing No. 1, and
Lots 38-62, 95-132, and 157-162, Reunion Filing No. 3)

Legal Description of Includable Property

Lots 146 through 158, inclusive, Reunion Filing No. 1, City of Commerce City, County of Adams, State of Colorado, according to the recorded plat thereof

Lots 38 through 62, inclusive, Lots 95 through 132, inclusive, and Lots 157 through 162, inclusive, Reunion Filing No. 3, City of Commerce City, County of Adams, State of Colorado, according to the recorded plat thereof





Recording Requested by, and
When Recorded Mail to:

SHEA HOMES
9135 SOUTH RIDGELINE BOULEVARD, SUITE 100
HIGHLANDS RANCH, CO 80129
ATTN: LEGAL DEPARTMENT

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SUPPLEMENTAL DECLARATION NO. 3

FOR

FUTURE ANNEXATIONS OF

ANNEXED PROPERTY

TO

REUNION HOMEOWNERS ASSOCIATION, INC.

(Lots 24-70 and 105-129, Reunion Filing No. 1)

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SUPPLEMENTAL DECLARATION NO. 3

FOR

FUTURE ANNEXATIONS OF

ANNEXED PROPERTY

TO

REUNION HOMEOWNERS ASSOCIATION, INC.

(Lots 24-70 and 105-129, Reunion Filing No. 1)

This Supplemental Declaration is made this 6th day of January, 2003, by SHEA HOMES LIMITED PARTNERSHIP, a California limited partnership d/b/a Shea Homes ("Declarant").

PREAMBLE

A. Declarant is the Declarant under the Declaration for Reunion Homeowners Association, Inc. (defined hereinafter as the "Homeowners Declaration").

B. Declarant is the Owner of certain real property described hereinafter in this Supplemental Declaration as the Includable Property.

C. The Includable Property described in this Supplemental Declaration is a portion of certain real property described as the Annexable Area in the Homeowners Declaration which Declarant intends be subdivided and improved as a planned community to be known as Reunion in accordance with the Homeowners Declaration. Section 3.2 of the Homeowners Declaration authorizes the phased annexation of real property to the Homeowners Association Area from time to time and provides that a Privately Owned Site shall be annexed to the Homeowners Association Area under the Homeowners Declaration and be subject to the Homeowners Declaration upon the Recordation of a Supplemental Declaration for such Privately Owned Site. Said Section 3.2 further provides that more than one Recorded instrument may together constitute a Supplemental Declaration and that such instruments may provide that such annexation may occur only upon the Recordation of the last of such instruments to be Recorded. In furtherance of the Homeowners Declaration and the PUD Zone Document as hereinafter defined, Declarant desires that the Includable Property be improved, owned and conveyed in accordance with the terms of the Homeowners Declaration and to provide for the annexation of the Includable Property to the Homeowners Declaration and this Supplemental Declaration in phases from time to time. **In accordance therewith, Declarant desires that the Owners who own portions of the Includable Property shall, from and after the date the same is annexed to the Homeowners Declaration and this Supplemental Declaration, as more particularly hereinafter provided, be subject to the provisions of the Homeowners Declaration and this Supplemental Declaration.**

D. Pursuant to Article III of the Homeowners Declaration, Declarant desires to impose additional covenants, conditions, restrictions and reservations on the Annexed Property, as hereinafter provided.

NOW, THEREFORE, IN ACCORDANCE WITH THE FOREGOING, DECLARANT HEREBY DECLARES AS FOLLOWS:

ARTICLE I
DEFINITIONS

Section 1.1 General. Unless as the context otherwise requires and unless otherwise expressly provided herein, the capitalized terms in this Supplemental Declaration shall have the same meaning as any similarly capitalized term defined in the Homeowners Declaration. The following words and phrases when used in this Supplemental Declaration shall have the meaning hereinafter specified.

Section 1.2 Includable Property. "Includable Property" shall mean the real property described in Exhibit A attached hereto and incorporated by reference herein. The Includable Property includes all rights and easements, if any, appurtenant to the real property described in Exhibit A attached hereto. The use and enjoyment of any of such rights and easements by any person shall, from and after the date upon which the portion of the Includable Property to which such rights and easements are appurtenant has been annexed to the Homeowners Declaration and this Supplemental Declaration as hereinafter provided, be subject to the terms and provisions of this Supplemental Declaration. The Includable Property may be contracted as provided in Section 2.2 of this Supplemental Declaration.

Section 1.3 Annexed Property. "Annexed Property" shall mean, as of any particular time, those portions of the Includable Property which, pursuant to the provisions hereinafter set forth, have theretofore been annexed to the Homeowners Declaration and this Supplemental Declaration. As of the time of recording this Supplemental Declaration, no portion of the Includable Property has been so annexed and therefore none of the Includable Property yet constitutes Annexed Property.

Section 1.4 Annexing Deed. "Annexing Deed" shall mean, for each particular portion of the Includable Property, the first to occur of any of (a) the first deed (other than an "Excluded Conveyance," as hereinafter defined), executed by the Owner of such portion, which shall be Recorded after the Recordation of this Supplemental Declaration by which title to such portion of the Includable Property shall be conveyed by such Owner to another party, (b) another instrument executed by the Owner of such portion, and if such Owner is other than Declarant, containing the executed and acknowledged written consent of Declarant to such instrument, referring to this Supplemental Declaration and stating that such instrument shall constitute an Annexing Deed for such portion of the Includable Property for the purposes hereof, or (c) any deed (other than any Excluded Conveyance) made in connection with an involuntary transfer of such portion of the Includable Property (other than a "Declarant Related Foreclosure Conveyance," as hereinafter defined), including, without limitation, any treasurer's deed made in connection with a tax sale of such portion of the Includable Property or any sheriff's deed or public trustee's deed made in connection with any foreclosure, whether a judicial foreclosure or a foreclosure through the public trustee, of a Mortgage, as defined in the Homeowners Declaration, encumbering such portion of the Includable Property, or any deed in lieu of foreclosure of any such Mortgage (other than a Declarant Related Foreclosure Conveyance); provided, however, that, notwithstanding the foregoing, the term "Annexing Deed" shall, without limitation, specifically exclude any Excluded Conveyance. "Excluded Conveyance" shall mean any of (i) any deed from Declarant to any other party whatsoever unless such deed shall expressly refer to this Supplemental Declaration and

state that such deed shall constitute an Annexing Deed for the purposes hereof, (ii) any deed from the Owner, other than Declarant, of such portion of the Includable Property to another party if such deed shall expressly refer to this Supplemental Declaration and state that such deed shall not constitute an Annexing Deed for the purposes hereof and shall contain the executed and acknowledged written consent of Declarant that such deed shall not constitute an Annexing Deed for the purposes hereof, (iii) any bona fide Mortgage encumbering such portion of the Includable Property, provided that, as is more particularly provided above, a deed made in connection with, or in lieu of, a foreclosure of such Mortgage shall constitute an Annexing Deed for the purposes hereof, or (iv) any sheriff's deed or public trustee's deed made in connection with any foreclosure, whether a judicial foreclosure or a foreclosure through the public trustee, of a Mortgage made or granted by Declarant encumbering the Includable Property or a portion thereof, or any deed in lieu of foreclosure of any such Mortgage made or granted by Declarant (collectively, a "Declarant Related Foreclosure Conveyance").

Section 1.5 Homeowners Declaration. "Homeowners Declaration" shall mean the Declaration for Reunion Homeowners Association, Inc. dated August 19, 2002, Recorded August 27, 2002, at Reception No. 1015874, as the same may be amended from time to time.

Section 1.6 PUD Zone Document. "PUD Zone Document" shall mean the Buffalo Hills Ranch – PUD Zone Document Recorded October 27, 2000, under Reception No. C0725646, as the same heretofore may have been, and hereafter may be, amended from time to time.

Section 1.7 Street Border Areas. "Street Border Area" shall mean any area which has been platted as a portion of a street right-of-way and which lies between the boundaries of a Residential Site within the Annexed Property and the pavement or curbing of the street. Street Border Areas shall not include any driveways or walks.

ARTICLE II

ANNEXATION TO HOMEOWNERS ASSOCIATION AREA

Section 2.1 Manner and Effect of Annexation. Portions of the Includable Property may, from time to time, become part of the Homeowners Association Area and subject to the Homeowners Declaration and this Supplemental Declaration, and thereby constitute Annexed Property for the purposes of this Supplemental Declaration, effective upon the Recordation of an Annexing Deed for such portion of the Includable Property in the office of the Clerk and Recorder of Adams County, Colorado. Upon Recordation of an Annexing Deed for a portion of the Includable Property as aforesaid, such portion shall thereupon, automatically and without any further action by any other party, constitute Annexed Property and such Annexed Property, and each part thereof, shall, from and after the date of such Recordation, be owned, held, transferred, conveyed, sold, leased, rented, hypothecated, encumbered, used, occupied, maintained, altered and improved subject to the Restrictions and other provisions set forth in the Homeowners Declaration and this Supplemental Declaration, for the duration thereof. In such case, this Supplemental Declaration and the Annexing Deed for a portion of the Includable Property shall together constitute the "Supplemental Declaration" for such portion of the Includable Property for the purposes of Section 3.2 of the Homeowners Declaration. Conversely, unless and until an Annexing Deed for a portion of the Includable Property is Recorded, such portion of the Includable Property shall not be subject to the Homeowners Declaration or this Supplemental Declaration, none of the Restrictions in either the Homeowners Declaration or this Supplemental Declaration shall be construed to affect, encumber, apply to or constitute a cloud upon title to such portion of the Includable Property, and the Owner of such portion of the Includable

Property shall not, by virtue of such ownership, be entitled to any of the rights and benefits to which Members of the Homeowners Association are entitled pursuant to the Homeowners Declaration and this Supplemental Declaration. Consequently, it is the express intention of Declarant in executing this Declaration that the Restrictions and other provisions set forth in this Supplemental Declaration which apply to Annexed Property shall apply to the Includable Property, or portion thereof, only from and after the date the Includable Property, or portion thereof, becomes Annexed Property in accordance with the foregoing provisions. Notwithstanding the foregoing, however, for purposes of compliance with the so-called Rule Against Perpetuities, no Annexing Deed shall be effective to so annex any portion of the Includable Property to the Homeowners Declaration and this Supplemental Declaration if such Annexing Deed shall be Recorded on or after the date which is 21 years following the death of the survivor of Jeffrey F. Kappes, John Kilrow and Chester T. Latcham and the now living descendants of said persons.

Section 2.2 No Annexation Required; Contraction of Includable Property.

Notwithstanding any other provision of this Supplemental Declaration to the contrary, nothing in this Supplemental Declaration shall be construed to obligate the Includable Property, or any portion thereof, to be made subject to the Homeowners Declaration or this Supplemental Declaration. Declarant expressly reserves the right, in its sole discretion, to make or cause to be made the Includable Property, or any portion thereof, to be subject to the Homeowners Declaration pursuant to one or more other Supplemental Declarations or to determine not to make the Includable Property, or any portion thereof, subject to the Homeowners Declaration. Additionally, the Includable Property may, in Declarant's sole discretion, from time to time be contracted to delete any portion of the Includable Property, provided that such portion has not theretofore been made a part of the Annexed Property as provided herein, effective upon the Recordation of a written instrument, executed by Declarant, referring to this Supplemental Declaration, describing such portion and declaring that such portion shall thereafter be deleted from the Includable Property under this Supplemental Declaration.

Section 2.3 General Plan. This Supplemental Declaration is hereby established as a part of, pursuant to and in furtherance of a common and general plan in accordance with the Homeowners Declaration and the PUD Zone Document for the improvement and ownership of the Annexed Property and for the purpose of enhancing and protecting the value, desirability and attractiveness of the Annexed Property.

Section 2.4 Equitable Servitudes. The Restrictions set forth in the Homeowners Declaration and this Supplemental Declaration are hereby imposed as equitable servitudes upon the Annexed Property, including without limitation, upon each Privately Owned Site, Homeowners Association Property, Local Common Area and other parcel of property within the Annexed Property, as a servient tenement, for the benefit of each and every other Privately Owned Site, Homeowners Association Property, Local Common Area or other parcel of property within the Homeowners Association Area, as the dominant tenements.

Section 2.5 Restrictions Appurtenant. The Restrictions set forth in the Homeowners Declaration and this Supplemental Declaration shall run with, inure to the benefit of, and be binding upon, (a) all of the Annexed Property; (b) each Privately Owned Site located within the Annexed Property; and (c) any Homeowners Association Properties or Local Common Area located within the Annexed Property. The Restrictions set forth in the Homeowners Declaration and this Supplemental Declaration which are imposed upon the Annexed Property by this Supplemental Declaration shall inure to the benefit of: (i) the Annexed Property, (ii) Declarant and its successors and assigns, (iii) the Homeowners Association and its successors and assigns, (iv) each Member of the

Homeowners Association and any property within the Homeowners Association Area owned by such a Member, and (v) all persons having or hereafter acquiring any right, title or interest in all or any portion of the Annexed Property and their heirs, personal representatives, successors, and assigns.

Section 2.6 Land Classification. Each Lot within the Annexed Property is hereby designated, pursuant to Article III of the Homeowners Declaration, to be a Privately Owned Site, each of which also constitute both a Residential Site and a Single Family Residential Site as defined in the Homeowners Declaration.

Section 2.7 No Homeowners Association Property. No portion of the Annexed Property is or shall be Homeowners Association Property as defined in the Homeowners Declaration.

Section 2.8 No Subassociation. As of the date of this Supplemental Declaration, it is not anticipated that there shall be a Subassociation for the Annexed Property.

Section 2.9 Commencement of Assessments. As provided in Section 8.14 of the Homeowners Declaration, Common Assessments shall commence as to each Privately Owned Site within the Annexed Property as of the date upon which the Annexing Deed for such Privately Owned Site is Recorded.

Section 2.10 Designation of Permitted Dwelling Units. Each Dwelling Unit constructed or to be constructed, in accordance with the provisions of the Homeowners Declaration and this Supplemental Declaration, on a Privately Owned Site within the Annexed Property, as shown on the Recorded subdivision plat(s) affecting such Privately Owned Site, shall be deemed a Permitted Dwelling Unit under the Homeowners Declaration.

ARTICLE III HOMEOWNERS ASSOCIATION PROPERTIES

Section 3.1 Member's Rights of Use and Enjoyment. Subject to the provisions of the Homeowners Declaration, each Owner of a Privately Owned Site within the Annexed Property shall have a nonexclusive right and easement for use and enjoyment of services provided by the Homeowners Association and of any Homeowners Association Properties for the purposes for which they are intended. Such right and easement shall be appurtenant to and pass with the title to the Privately Owned Site of such Member.

Section 3.2 Delegation of Rights of Use. A Member who owns a Residential Site in the Annexed Property may delegate his nonexclusive rights and easements for use and enjoyment of the services provided by the Homeowners Association and of Homeowners Association Properties to (a) any tenant who occupies a Dwelling Unit on the Residential Site of that Member; (b) any contract purchaser who occupies a Dwelling Unit on the Residential Site of that Member; (c) any Person who is part of the Common Household Group with an Owner, tenant, or contract purchaser who occupies a Dwelling Unit on the Residential Site of that Member; (d) if an Owner is a corporation, partnership or other such entity, such reasonable number of officers, directors, partners, shareholders, members or other natural Persons with an interest in such Owner who occupy a Dwelling Unit on the Residential Site as may be permitted by the Rules and Regulations adopted by the Homeowners Association and members of the Common Household Group of such Persons; and (e) guests of an Owner, tenant, contract purchaser or member of a Common Household Group to the extent permitted by such Rules

and Regulations. In order to use Homeowners Association Properties, tenants, contract purchasers or subtenants must agree, in writing with the Homeowners Association, to assume all of said Member's duties and obligations under the Homeowners Declaration and this Supplemental Declaration, except for the obligation to pay Assessments; provided, however, that said Member shall remain liable for the failure of such tenant, contract purchaser or subtenant to fulfill all such duties and obligations. Mortgagees and other Persons holding an interest in a Privately Owned Site in the Annexed Property as security for a debt or for performance of an obligation shall not be entitled to use and enjoy Homeowners Association Properties or services of the Homeowners Association prior to the time such Person forecloses its security interest and becomes an Owner of such Privately Owned Site. A Member who does not reside on or occupy a Dwelling Unit on a Privately Owned Site shall not be entitled to use and enjoy Homeowners Association Properties and services of the Homeowners Association, if a tenant or contract purchaser is occupying the Dwelling Unit on such Privately Owned Site and is, in accordance with the foregoing, entitled to use and enjoy Homeowners Association Properties and such services derived from such Member. Other Persons may be entitled, from time to time, to use Homeowners Association Properties on a temporary basis, in accordance with the Rules and Regulations adopted under, and subject to the Restrictions in, the Homeowners Declaration.

ARTICLE IV **USE RESTRICTIONS**

Section 4.1 **General.** All of the Annexed Property shall be held, used and enjoyed ~~subject to the restrictions in the Homeowners Declaration, as well as the following Restrictions, except~~ for the exemptions of Declarant set forth in the Homeowners Declaration which are hereby incorporated into this Supplemental Declaration as if set forth in full herein. To the extent that any of the following Restrictions are more restrictive than any similar Restrictions in the Homeowners Declaration, the Restrictions in this Supplemental Declaration shall control. The strict application of the following Restrictions in any specific case may be modified or waived in whole or in part by the Architectural Review Committee under the Homeowners Declaration if such strict application would be unreasonable or unduly harsh under the circumstances. Any such modification or waiver must be in writing or be contained in written guidelines or rules promulgated by the Architectural Review Committee.

Section 4.2 **No Hanging Articles.** No clothing or household fabrics or other articles shall be hung, dried or aired on any Privately Owned Site or Local Common Area in such a way as to be visible from other Privately Owned Sites or from the Homeowners Association Area except to the extent otherwise provided in guidelines promulgated by the Architectural Review Committee under the Homeowners Declaration.

Section 4.3 **View and Solar Obstructions.** No vegetation or other Improvements shall be planted, constructed or maintained upon any Privately Owned Site in the Annexed Property in such location or of such height as to unreasonably obstruct the view from any Privately Owned Site in the vicinity thereof or so as to unreasonably obstruct the operation of any previously existing solar energy installation. In the event of a dispute between owners in the Annexed Property as to the obstruction of a view from a Privately Owned Site or of operation of a solar energy installation, such dispute shall be resolved in accordance with the provisions for Notice and Hearing contained in the Bylaws of the Homeowners Association. Any such obstruction shall, upon request of the Board of Directors of the Homeowners Association, be removed or otherwise altered to the satisfaction of the Board of Directors of the Homeowners Association, by the Owner of the Privately Owned Site upon

which said obstruction is located. Each Owner of a Privately Owned Site shall be responsible for periodic trimming and pruning of all hedges, shrubs and trees located on the Site so as to not unreasonably obstruct the view of adjacent Owners.

Section 4.4 Landscaping. Within ninety (90) days after the date of Recordation of the Annexing Deed for a Residential Site in the Annexed Property, subject, however, to reasonable delays resulting from weather conditions, or within such longer period as may be approved in writing by the Architectural Review Committee under the Homeowners Declaration or authorized in guidelines promulgated by the Architectural Review Committee under the Homeowners Declaration, the Owner of such Residential Site shall install and thereafter maintain landscaping on the Residential Site and the Street Border Area adjacent to such Residential Site in a neat and attractive condition, including all necessary landscaping and gardening to properly maintain and periodically replace when necessary any trees, plants, grass and other vegetation which may be originally placed on such Residential Site or such Street Border Area by the Declarant. The Architectural Review Committee under the Homeowners Declaration may adopt guidelines or rules to regulate landscaping permitted and required on the Privately Owned Sites and Street Border Areas in the Annexed Property as provided in the Homeowners Declaration; provided, however, that Declarant shall be exempt from compliance with such rules and regulations. In the event that any Owner shall fail to install and maintain landscaping in conformance with such guidelines or rules, or shall allow landscaping to deteriorate to a dangerous, unsafe, unsightly or unattractive condition, the Board of Directors of the Homeowners Association upon thirty (30) days prior written notice to such Owner shall have the right either (a) to seek any remedies at law or in equity which it may have or to correct such condition, or (b) after Notice and Hearing, as defined in the Homeowners Declaration, to enter upon such Owner's Privately Owned Site and the adjacent Street Border Area for the purpose of correcting such condition and such Owner shall promptly reimburse the Homeowners Association for the cost thereof, or (c) both of the foregoing. Such cost shall be subject to a Reimbursement Assessment and shall create a lien enforceable in the manner set forth in the Homeowners Declaration.

Section 4.5 Vehicle Restriction. No recreation vehicle, camper, campers not on a truck, boat, mobile home, horse trailer or other trailer, tractor, motor home or truck (other than a pickup truck) shall be stored or shall be parked anywhere within the Annexed Property or on any public or private road or street in such a manner as to be visible from any portion of the Annexed Property for longer than seventy-two (72) hours in the same place or general area or for such other period as may be approved in writing by the Architectural Review Committee under the Homeowners Declaration or authorized in guidelines promulgated by the Architectural Review Committee under the Homeowners Declaration. Any such vehicle may be kept only within a garage, an enclosed structure approved by the Architectural Review Committee under the Homeowners Declaration or within a parking area designated by the Homeowners Association for storage and parking of such vehicles. No inoperable vehicle shall be repaired, constructed or allowed to remain on any portion of the Annexed Property or on any private or public street or road in such a manner as to be visible from any portion of the Homeowners Association Area. No vehicle, including, but not limited to, motorcycles, motorbikes, snowmobiles, bicycles, automobiles, trucks and trailers may be kept or used anywhere within the Annexed Property in violation of any applicable Rules and Regulations of the Homeowners Association. Such Rules and Regulations, among other things, may prohibit the keeping or use of motorcycles, motorbikes, snowmobiles or other loud or offensive vehicles, or may limit their use, and may regulate places of parking of such vehicles.

Section 4.6 Animals. No animals of any kind shall be raised, bred or kept in the Annexed Property except as hereinafter provided. A reasonable number of dogs, cats or other

household pets may be kept on a Residential Site, provided that (a) they are not kept, bred or maintained for any commercial purposes, (b) they do not make objectionable noises or otherwise constitute an unreasonable nuisance to other Owners, (c) they are kept within an enclosed yard on the Residential Site occupied by the Owner of such pets or on a leash being held by a Person capable of controlling the animal, and (d) they are not in violation of any other provision of the Homeowners Declaration and such limitations as may be set forth in the Rules and Regulations of the Homeowners Association. A "reasonable number" as used in this Section 4.6 shall ordinarily mean no more than two (2) pets per Site; provided, however, that the Board of Directors of the Homeowners Association or such other Person as the Board of Directors of the Homeowners Association may from time to time designate, may from time to time determine that a reasonable number in any instance may be more or less than two (2). The Homeowners Association, acting through the Board of the Homeowners Association, shall have the right to prohibit maintenance of any animal which, in the sole opinion of the Board of the Homeowners Association, is not being maintained in accordance with the foregoing restrictions. Each Owner maintaining any animal, and any Related User, shall be liable in accordance with Colorado Law to each and all remaining Owners and Related Users of such Owners for any damage to person or property caused by any such animal; and it shall be the absolute duty and responsibility of each such Owner or Related User to clean up after such animals to the extent they have used any portion of the Privately Owned Site of another Owner or any Local Common Area or Homeowners Association Properties.

Section 4.7 Restriction on Exterior Lighting. Except as may be approved in writing by the Architectural Review Committee under the Homeowners Declaration or in guidelines promulgated by the Architectural Review Committee under the Homeowners Declaration, no exterior lighting shall be permitted anywhere within the Annexed Property, including lighting to accent landscaping features, lights at entrance doors to structures, lights at entrances to property, lights along paths or driveways and lights to illuminate permitted signs. Any permitted exterior lights shall be of attractive design and shall be as small in size as is reasonably practical and shall be placed or located as directed or approved in writing by the Architectural Review Committee under the Homeowners Declaration or in guidelines promulgated by the Architectural Review Committee under the Homeowners Declaration.

Section 4.8 Casualty Insurance for Improvements. Each Owner of a Privately Owned Site within the Annexed Property shall be obligated to obtain and keep in full force and effect at all times casualty insurance with respect to all insurable Improvements on the Privately Owned Site for the full replacement value thereof, including coverage for fire and extended coverage, vandalism and malicious mischief and, if available and if deemed appropriate by the Homeowners Association as evidenced by a resolution of the Board of Directors, including flood, earthquake or war risk. In the event of damage or destruction to any insured Improvements, the proceeds of such insurance shall be applied by the Owner thereof, to the extent necessary, to cause the damage or destroyed Improvement to be restored or replaced to its original condition or such other condition as may be approved in writing by the Architectural Review Committee or to cause the damaged or destroyed Improvement to be demolished and the Privately Owned Site to be suitably landscaped so as to present a pleasing and attractive appearance.

Section 4.9 Solar Energy Installations. The Architectural Review Committee under the Homeowners Declaration shall approve the plans and specifications for the installation of residential solar systems, provided that the Architectural Review Committee under the Homeowners Declaration determines that such plans and specifications demonstrate the exercise of reasonable measures to minimize the potential adverse aesthetic impact of the installation on other portions of the

Homeowners Association Area. Any such Architectural Review Committee approval shall have no effect upon the enforceability of any other use Restriction in the Homeowners Declaration or this Supplemental Declaration. The Architectural Review Committee under the Homeowners Declaration may promulgate reasonable standards and guidelines against which to examine any such plans and specifications, in accordance with Article X of the Homeowners Declaration. Any such standards or guidelines restricting the installation or use of a solar energy system shall not significantly increase the cost of the system, nor significantly decrease its efficiency.

Section 4.10 Garage Sales. No garage, patio, porch or lawn sale shall be held on any Residential Site within the Annexed Property, except that the Owner of any such Residential Site may conduct such a sale for up to three (3) consecutive days not more than twice in any calendar year if (a) the items sold are only his own furniture and furnishings, not acquired for purposes of resale; (b) such sale is held at such time and in such manner as not to unreasonably disturb any other resident of the area; and (c) such sale is held in full compliance with the requirements of all applicable Law.

Section 4.11 Party Walls. Except as hereinafter provided, the rights and duties of Owners of contiguous Residential Sites within the Annexed Property, if any, which have shared walls or fences ("Party Walls") shall be as follows: (a) each Owner shall have the right to use the Party Wall, provided that such use does not interfere with the other Owner's use and enjoyment thereof; (b) if a Party Wall is damaged or destroyed through the willful or negligent act of an Owner or the Owner's Related Users, such Owner shall be obligated to rebuild and repair the Party Wall at such Owner's sole expense, and any dispute over such Owner's liability shall be resolved as provided in subsection (d) below; (c) in the event any Party Wall is damaged or destroyed other than by the willful or negligent act of an adjoining Owner or the Owner's Related Users, or deteriorates from ordinary wear and tear, it shall be the joint obligation of all Owners whose Residential Sites adjoin such Party Wall immediately to rebuild and repair such Party Wall, such expense to be ratably divided among such Owners on the basis of the amount of frontage of their respective Residential Sites on the damaged or destroyed Party Wall; (d) in the event of a dispute between Owners with respect to a Party Wall or the sharing of the cost thereof, such Owners shall submit the dispute to the Architectural Review Committee, whose decision shall be binding unless appealed to the Board of the Homeowners Association, in which event the Board's decisions, following Notice and Hearing, shall be binding and final; provided, however, that notwithstanding any such decision, no Owner shall be prohibited from seeking indemnity or damages from the party causing the damage; and (e) any wall or fence lying completely upon any portion of the Homeowners Association Property or Local Common Area, including any such wall or fence which lies adjacent to a Residential Site, shall not be considered a Party Wall under this Section 4.11.

Section 4.12 Window Coverings. No external window covering or reflective covering may be placed, or permitted to remain, on any window of any building, structure or other Improvement within the Annexed Property without the prior written approval of the Architectural Review Committee.

ARTICLE V **MISCELLANEOUS PROVISIONS**

Section 5.1 Term of Supplemental Declaration. Unless amended as herein provided, each provision contained in this Supplemental Declaration which is subject to the laws or rules sometimes referred to as the rule against perpetuities or the rule prohibiting unreasonable

restraints on alienation shall continue and remain in full force and effect for the period of twenty-one (21) years following the death of the survivor of Jeffrey F. Kappes, John Kilrow and Chester T. Latcham and the now living children of said persons, or until this Supplemental Declaration is terminated as hereinafter provided, whichever first occurs. Unless amended as herein provided, all other provisions or Restrictions contained in this Supplemental Declaration shall be effective until December 31, 2052, and, thereafter, shall be automatically extended for successive periods of ten (10) years each unless terminated by first obtaining the written consent of the Homeowners Association and then obtaining the vote, by written ballot, of Members holding at least seventy-five percent (75%) of the voting power of Members of the Homeowners Association present in person or by proxy at a duly constituted meeting of the Members. The termination of this Supplemental Declaration shall be effective upon the Recording of a certificate, executed by the President or a Vice President and the Secretary or an Assistant Secretary of the Homeowners Association stating that this Supplemental Declaration has been terminated with the written consent of the Homeowners Association and by the vote of Members as provided herein.

Section 5.2 Amendment of Supplemental Declaration by Declarant. Until the first Privately Owned Site within the Includable Property is made subject to this Supplemental Declaration by the Recordation of an Annexing Deed therefor, any of the provisions or Restrictions contained in this Supplemental Declaration may be amended or terminated by Declarant by the Recordation of a written instrument, executed by Declarant, setting forth such amendment or termination. Declarant also hereby reserves and is granted the right and power to make and, where required, to Record technical amendments to this Supplemental Declaration at any time prior to the expiration of the Period of Special Declarant's Rights, for the purposes of correcting spelling, grammar, dates, cross references, typographical errors or other similar technical errors, or as may otherwise be required to clarify the meaning of any provision of this Supplemental Declaration. Additionally, Declarant reserves the right, until the expiration of the Period of Special Declarant Rights, to amend this Supplemental Declaration insofar as the same applies to a particular Privately Owned Site with respect to which the Owner thereof desires to impose a condominium ownership regime, without the consent of any Person other than the owner of such Privately Owned Site, to make conforming amendments to this Supplemental Declaration as shall reasonably be necessary to reflect such condominium ownership regime, provided that such amendments shall not violate or be inconsistent with the provisions of the Homeowners Declaration. Any such amendment shall refer to this Supplemental Declaration, shall set forth the amendments hereto, shall be executed by the Declarant and, if so required pursuant to this Section, the Owner of the Privately Owned Site affected thereby, and shall be Recorded.

Section 5.3 Amendment of Supplemental Declaration by Members. Except as otherwise provided in this Supplemental Declaration, any provisions or Restrictions contained in this Supplemental Declaration may be amended or repealed at any time and from time to time by first obtaining the written approval of the Homeowners Association and then obtaining the approval of the amendment or repeal by Members holding at least sixty-seven percent (67%) of the voting Power of the Homeowners Association present in person or by proxy at a duly constituted meeting of Members. The approval of any such amendment or repeal shall be evidenced by the certification by the Secretary of the Homeowners Association to the Board of Directors of the Homeowners Association of the votes of the Members. The amendment or repeal shall be effective upon the Recordation of a certificate, executed by the President or a Vice President and the Secretary or an Assistant Secretary of the Homeowners Association setting forth the amendment or repeal in full and certifying that the amendment or repeal has been approved in writing by the Homeowners Association, and approved by the Members as set forth herein.

Section 5.4 Amendment Required by Government Mortgage Agencies.

Notwithstanding the provisions of Section 5.3 hereof requiring approval of an amendment or repeal by Members holding at least sixty-seven percent (67%) of the voting power of the Members, if Declarant shall determine that any amendments to this Supplemental Declaration shall be necessary in order for existing or future mortgages, deeds of trust or other security instruments to be acceptable to any of the Government Mortgage Agencies, then, subject to the following sentence of this Section, Declarant shall have and hereby specifically reserves the right and power to make and execute any such amendments without obtaining the approval of any Owners or First Mortgagees or any other Mortgagee. Each such amendment of this Supplemental Declaration shall be made, if at all, by Declarant prior to the expiration of the Period of Special Declarant's Rights, and each such amendment must contain thereon the written approval of the VA or HUD, to the extent required by VA or HUD.

Section 5.5. Required Consent of Declarant to Amendment or Termination.

Notwithstanding any other provision in this Supplemental Declaration to the contrary, any proposed amendment, repeal or termination of any provision of this Supplemental Declaration shall not be effective unless Declarant has given its written consent to such amendment, repeal or termination, which consent may be evidenced by the execution by Declarant of any certificate of amendment, repeal or termination. The foregoing requirement for consent of Declarant to any amendment, repeal or termination shall terminate upon the expiration of the Period of Special Declarant's Rights.

Section 5.6 Withdrawal of Annexed Property. The Annexed Property may be withdrawn from coverage of this Supplemental Declaration in accordance with the provisions of Section 3.4 of the Homeowners Declaration.

Section 5.7 Mortgagee Protection. The provisions of Sections 13.7 through 13.15 of the Homeowners Declaration are hereby ratified and confirmed and incorporated in this Supplemental Declaration as if repeated herein in full. In addition, (a) consistent with Section 13.7 of the Homeowners Declaration, any First Mortgagee of a Mortgage encumbering a Privately Owned Site in the Annexed Property subject to this Supplemental Declaration shall, upon filing a written request therefore with the Homeowners Association, be entitled to receive at least thirty (30) days written notice prior to the effective date of any proposed material amendment to this Supplemental Declaration; (b) consistent with Section 13.13 of the Homeowners Declaration, there shall be no amendment of any material provision of this Supplemental Declaration unless at least fifty-one percent (51%) of the Eligible First Mortgagees of Mortgages encumbering Privately Owned Sites in the Annexed Property subject to this Supplemental Declaration [based upon one (1) vote for each Mortgage owned] have given their written approval; and (c) consistent with Section 13.14 of the Homeowners Declaration, the prior approval of the HUD or VA in accordance with the procedures set forth in said Section 13.14, shall be required for any amendment of this Supplemental Declaration during the Period of Declarant Control and provided that HUD or the VA is insuring or guarantying or has agreed to insure or guaranty loans in any portion of the Annexed Property with respect to initial sales of Privately Owned Sites by Declarant, or its successors or assigns, in the Annexed Property.

Section 5.8 Notice, Enforcement and Other Provisions. The provisions of Sections 13.16 through 13.30 of the Homeowners Declaration are hereby incorporated in this Supplemental Declaration as if repeated herein in full except that, for purposes of this Supplemental Declaration the term "Homeowners Declaration" or "Declaration" when used in said Sections shall, in each case, be deemed to refer to this Supplemental Declaration.

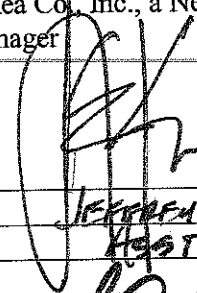
Section 5.9 Successors and Assigns of Declarant. A party shall be deemed a "successor" or an "assign" of Shea Homes Limited Partnership d/b/a Shea Homes ("Shea") under this Supplemental Declaration only if specifically designated in a duly recorded instrument as a successor or assign of Shea under this Supplemental Declaration or if specifically designated in a duly recorded instrument as a successor or assign of Shea as Declarant generally under the Homeowners Declaration (as opposed to designation as a successor or assign of Shea under certain provisions of the Homeowners Declaration or with respect to only certain property made subject to the Homeowners Declaration). However, a successor to Shea by consolidation or merger, and any Person acquiring all or substantially all of the right, title and interest of Shea in Reunion by foreclosure, judicial sale, bankruptcy proceedings or by other similar involuntary transfer, shall automatically be deemed a successor and assign of Shea under this Supplemental Declaration.

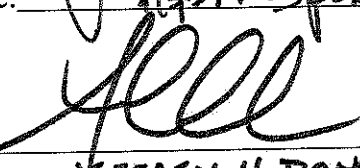
IN WITNESS WHEREOF, Declarant has executed this Supplemental Declaration the day and year first above written.

SHEA HOMES LIMITED PARTNERSHIP, a California limited partnership d/b/a Shea Homes

By: J.F. Shea LLC, a Delaware limited liability company, its general partner

By: J.F. Shea Co., Inc., a Nevada corporation, its manager

By: 
Name: JEFFREY E. KAPPEES
Title: ASST. SECRETARY

By: 
Name: JEFFREY H. DONELSON
Title: ASSISTANT SECRETARY

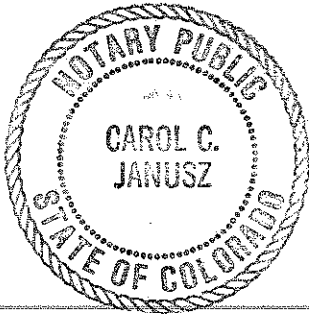
STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this 6th day of January, 2003, by Jeffrey F. Kappes as Assistant Secretary and Jeffrey W. Donelson as Assistant Secretary of J. F. Shea Co., Inc., a Nevada corporation, as manager of J.F. Shea LLC, a Nevada limited liability company, as general partner of Shea Homes Limited Partnership, a California limited partnership d/b/a Shea Homes.

Witness my hand and official seal.

My Commission Expires 07-12-04

My commission expires: _____



Carol C. Janusz
Notary Public

EXHIBIT A
TO
SUPPLEMENTAL DECLARATION NO. 3
FOR
FUTURE ANNEXATIONS OF
ANNEXED PROPERTY
TO
REUNION HOMEOWNERS ASSOCIATION, INC.

(Lots 24-70 and 105-129, Reunion Filing No. 1)

Legal Description of Includable Property

Lots 24 through 70, inclusive, and 105 through 129, inclusive, Reunion Filing No. 1, City of Commerce City, County of Adams, State of Colorado, according to the recorded plat thereof

C1017521
8/30/2002 10:39:27
PG: 0001-017
85.00 DOC FEE: 0.00
CAROL SNYDER
ADAMS COUNTY

Recording Requested by, and
When Recorded Mail to:

SHEA HOMES
9135 SOUTH RIDGELINE BOULEVARD, SUITE 100
HIGHLANDS RANCH, CO 80129
ATTN: LEGAL DEPARTMENT

X

17

SUPPLEMENTAL DECLARATION NO. 2

FOR

FUTURE ANNEXATIONS OF

ANNEXED PROPERTY

TO

REUNION HOMEOWNERS ASSOCIATION, INC.

(Lots 139-145, Reunion Filing No. 1, and Lots 37-176, Reunion Filing No. 2)

DLH\Public\SheaRN\SupDecls\SD360F12-ver1
August 29, 2002

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EXHIBITS

Exhibit A Legal Description of Includable PropertyA-1

UNOFFICIAL COPY

SUPPLEMENTAL DECLARATION NO. 2

FOR

FUTURE ANNEXATIONS OF

ANNEXED PROPERTY

TO

REUNION HOMEOWNERS ASSOCIATION, INC.

(Lots 139-145, Reunion Filing No. 1, and Lots 37-176, Reunion Filing No. 2)

This Supplemental Declaration is made this 29th day of August, 2002, by SHEA HOMES LIMITED PARTNERSHIP, a California limited partnership d/b/a Shea Homes ("Declarant").

PREAMBLE

A. Declarant is the Declarant under the Declaration for Reunion Homeowners Association, Inc. (defined hereinafter as the "Homeowners Declaration").

B. Declarant is the Owner of certain real property described hereinafter in this Supplemental Declaration as the Includable Property.

C. The Includable Property described in this Supplemental Declaration is a portion of certain real property described as the Annexable Area in the Homeowners Declaration which Declarant intends be subdivided and improved as a planned community to be known as Reunion in accordance with the Homeowners Declaration. Section 3.2 of the Homeowners Declaration authorizes the phased annexation of real property to the Homeowners Association Area from time to time and provides that a Privately Owned Site shall be annexed to the Homeowners Association Area under the Homeowners Declaration and be subject to the Homeowners Declaration upon the Recordation of a Supplemental Declaration for such Privately Owned Site. Said Section 3.2 further provides that more than one Recorded instrument may together constitute a Supplemental Declaration and that such instruments may provide that such annexation may occur only upon the Recordation of the last of such instruments to be Recorded. In furtherance of the Homeowners Declaration and the PUD Zone Document as hereinafter defined, Declarant desires that the Includable Property be improved, owned and conveyed in accordance with the terms of the Homeowners Declaration and to provide for the annexation of the Includable Property to the Homeowners Declaration and this Supplemental Declaration in phases from time to time. **In accordance therewith, Declarant desires that the Owners who own portions of the Includable Property shall, from and after the date the same is annexed to the Homeowners Declaration and this Supplemental Declaration, as more particularly hereinafter provided, be subject to the provisions of the Homeowners Declaration and this Supplemental Declaration.**

D. Pursuant to Article III of the Homeowners Declaration, Declarant desires to impose additional covenants, conditions, restrictions and reservations on the Annexed Property, as hereinafter provided.

NOW, THEREFORE, IN ACCORDANCE WITH THE FOREGOING, DECLARANT HEREBY DECLARES AS FOLLOWS:

ARTICLE I
DEFINITIONS

Section 1.1 General. Unless as the context otherwise requires and unless otherwise expressly provided herein, the capitalized terms in this Supplemental Declaration shall have the same meaning as any similarly capitalized term defined in the Homeowners Declaration. The following words and phrases when used in this Supplemental Declaration shall have the meaning hereinafter specified.

Section 1.2 Includable Property. "Includable Property" shall mean the real property described in Exhibit A attached hereto and incorporated by reference herein. The Includable Property includes all rights and easements, if any, appurtenant to the real property described in Exhibit A attached hereto. The use and enjoyment of any of such rights and easements by any person shall, from and after the date upon which the portion of the Includable Property to which such rights and easements are appurtenant has been annexed to the Homeowners Declaration and this Supplemental Declaration as hereinafter provided, be subject to the terms and provisions of this Supplemental Declaration. The Includable Property may be contracted as provided in Section 2.2 of this Supplemental Declaration.

Section 1.3 Annexed Property. "Annexed Property" shall mean, as of any particular time, those portions of the Includable Property which, pursuant to the provisions hereinafter set forth, have theretofore been annexed to the Homeowners Declaration and this Supplemental Declaration. As of the time of recording this Supplemental Declaration, no portion of the Includable Property has been so annexed and therefore none of the Includable Property yet constitutes Annexed Property.

Section 1.4 Annexing Deed. "Annexing Deed" shall mean, for each particular portion of the Includable Property, the first to occur of any of (a) the first deed (other than an "Excluded Conveyance," as hereinafter defined), executed by the Owner of such portion, which shall be Recorded after the Recordation of this Supplemental Declaration by which title to such portion of the Includable Property shall be conveyed by such Owner to another party, (b) another instrument executed by the Owner of such portion, and if such Owner is other than Declarant, containing the executed and acknowledged written consent of Declarant to such instrument, referring to this Supplemental Declaration and stating that such instrument shall constitute an Annexing Deed for such portion of the Includable Property for the purposes hereof, or (c) any deed (other than any Excluded Conveyance) made in connection with an involuntary transfer of such portion of the Includable Property (other than a "Declarant Related Foreclosure Conveyance," as hereinafter defined), including, without limitation, any treasurer's deed made in connection with a tax sale of such portion of the Includable Property or any sheriff's deed or public trustee's deed made in connection with any foreclosure, whether a judicial foreclosure or a foreclosure through the public trustee, of a Mortgage, as defined in the Homeowners Declaration, encumbering such portion of the Includable Property, or any deed in lieu of foreclosure of any such Mortgage (other than a Declarant Related Foreclosure Conveyance); provided, however, that, notwithstanding the foregoing, the term "Annexing Deed" shall, without limitation, specifically exclude any Excluded Conveyance. "Excluded Conveyance" shall mean any of (i) any deed from Declarant to any other party whatsoever unless such deed shall expressly refer to this Supplemental Declaration and

state that such deed shall constitute an Annexing Deed for the purposes hereof, (ii) any deed from the Owner, other than Declarant, of such portion of the Includable Property to another party if such deed shall expressly refer to this Supplemental Declaration and state that such deed shall not constitute an Annexing Deed for the purposes hereof and shall contain the executed and acknowledged written consent of Declarant that such deed shall not constitute an Annexing Deed for the purposes hereof, (iii) any bona fide Mortgage encumbering such portion of the Includable Property, provided that, as is more particularly provided above, a deed made in connection with, or in lieu of, a foreclosure of such Mortgage shall constitute an Annexing Deed for the purposes hereof, or (iv) any sheriff's deed or public trustee's deed made in connection with any foreclosure, whether a judicial foreclosure or a foreclosure through the public trustee, of a Mortgage made or granted by Declarant encumbering the Includable Property or a portion thereof, or any deed in lieu of foreclosure of any such Mortgage made or granted by Declarant (collectively, a "Declarant Related Foreclosure Conveyance").

Section 1.5 Homeowners Declaration. "Homeowners Declaration" shall mean the Declaration for Reunion Homeowners Association, Inc. dated August 19, 2002, Recorded August 27, 2002, at Reception No. 1015874, as the same may be amended from time to time.

Section 1.6 PUD Zone Document. "PUD Zone Document" shall mean the Buffalo Hills Ranch - PUD Zone Document Recorded October 27, 2000, under Reception No. C0725646, as the same heretofore may have been, and hereafter may be, amended from time to time.

Section 1.7 Street Border Areas. "Street Border Area" shall mean any area which has been platted as a portion of a street right-of-way and which lies between the boundaries of a Residential Site within the Annexed Property and the pavement or curbing of the street. Street Border Areas shall not include any driveways or walks.

ARTICLE II ANNEXATION TO HOMEOWNERS ASSOCIATION AREA

Section 2.1 Manner and Effect of Annexation. Portions of the Includable Property may, from time to time, become part of the Homeowners Association Area and subject to the Homeowners Declaration and this Supplemental Declaration, and thereby constitute Annexed Property for the purposes of this Supplemental Declaration, effective upon the Recordation of an Annexing Deed for such portion of the Includable Property in the office of the Clerk and Recorder of Adams County, Colorado. Upon Recordation of an Annexing Deed for a portion of the Includable Property as aforesaid, such portion shall thereupon, automatically and without any further action by any other party, constitute Annexed Property and such Annexed Property, and each part thereof, shall, from and after the date of such Recordation, be owned, held, transferred, conveyed, sold, leased, rented, hypothecated, encumbered, used, occupied, maintained, altered and improved subject to the Restrictions and other provisions set forth in the Homeowners Declaration and this Supplemental Declaration, for the duration thereof. In such case, this Supplemental Declaration and the Annexing Deed for a portion of the Includable Property shall together constitute the "Supplemental Declaration" for such portion of the Includable Property for the purposes of Section 3.2 of the Homeowners Declaration. Conversely, unless and until an Annexing Deed for a portion of the Includable Property is Recorded, such portion of the Includable Property shall not be subject to the Homeowners Declaration or this Supplemental Declaration, none of the Restrictions in either the Homeowners Declaration or this Supplemental Declaration shall be construed to affect, encumber, apply to or constitute a cloud upon title to such portion of the Includable Property, and the Owner of such portion of the Includable

Property shall not, by virtue of such ownership, be entitled to any of the rights and benefits to which Members of the Homeowners Association are entitled pursuant to the Homeowners Declaration and this Supplemental Declaration. Consequently, it is the express intention of Declarant in executing this Declaration that the Restrictions and other provisions set forth in this Supplemental Declaration which apply to Annexed Property shall apply to the Includable Property, or portion thereof, only from and after the date the Includable Property, or portion thereof, becomes Annexed Property in accordance with the foregoing provisions. Notwithstanding the foregoing, however, for purposes of compliance with the so-called Rule Against Perpetuities, no Annexing Deed shall be effective to so annex any portion of the Includable Property to the Homeowners Declaration and this Supplemental Declaration if such Annexing Deed shall be Recorded on or after the date which is 21 years following the death of the survivor of Jeffrey F. Kappes, John Kilrow and Chester T. Latcham and the now living descendants of said persons.

Section 2.2 No Annexation Required; Contraction of Includable Property.

Notwithstanding any other provision of this Supplemental Declaration to the contrary, nothing in this Supplemental Declaration shall be construed to obligate the Includable Property, or any portion thereof, to be made subject to the Homeowners Declaration or this Supplemental Declaration. Declarant expressly reserves the right, in its sole discretion, to make or cause to be made the Includable Property, or any portion thereof, to be subject to the Homeowners Declaration pursuant to one or more other Supplemental Declarations or to determine not to make the Includable Property, or any portion thereof, subject to the Homeowners Declaration. Additionally, the Includable Property may, in Declarant's sole discretion, from time to time be contracted to delete any portion of the Includable Property, provided that such portion has not theretofore been made a part of the Annexed Property as provided herein, effective upon the Recordation of a written instrument, executed by Declarant, referring to this Supplemental Declaration, describing such portion and declaring that such portion shall thereafter be deleted from the Includable Property under this Supplemental Declaration.

Section 2.3 General Plan. This Supplemental Declaration is hereby established as a part of, pursuant to and in furtherance of a common and general plan in accordance with the Homeowners Declaration and the PUD Zone Document for the improvement and ownership of the Annexed Property and for the purpose of enhancing and protecting the value, desirability and attractiveness of the Annexed Property.

Section 2.4 Equitable Servitudes. The Restrictions set forth in the Homeowners Declaration and this Supplemental Declaration are hereby imposed as equitable servitudes upon the Annexed Property, including without limitation, upon each Privately Owned Site, Homeowners Association Property, Local Common Area and other parcel of property within the Annexed Property, as a servient tenement, for the benefit of each and every other Privately Owned Site, Homeowners Association Property, Local Common Area or other parcel of property within the Homeowners Association Area, as the dominant tenements.

Section 2.5 Restrictions Appurtenant. The Restrictions set forth in the Homeowners Declaration and this Supplemental Declaration shall run with, inure to the benefit of, and be binding upon, (a) all of the Annexed Property; (b) each Privately Owned Site located within the Annexed Property; and (c) any Homeowners Association Properties or Local Common Area located within the Annexed Property. The Restrictions set forth in the Homeowners Declaration and this Supplemental Declaration which are imposed upon the Annexed Property by this Supplemental Declaration shall inure to the benefit of: (i) the Annexed Property, (ii) Declarant and its successors and assigns, (iii) the Homeowners Association and its successors and assigns, (iv) each Member of the

Homeowners Association and any property within the Homeowners Association Area owned by such a Member, and (v) all persons having or hereafter acquiring any right, title or interest in all or any portion of the Annexed Property and their heirs, personal representatives, successors, and assigns.

Section 2.6 Land Classification. Each Lot within the Annexed Property is hereby designated, pursuant to Article III of the Homeowners Declaration, to be a Privately Owned Site, each of which also constitute both a Residential Site and a Single Family Residential Site as defined in the Homeowners Declaration.

Section 2.7 No Homeowners Association Property. No portion of the Annexed Property is or shall be Homeowners Association Property as defined in the Homeowners Declaration.

Section 2.8 No Subassociation. As of the date of this Supplemental Declaration, it is not anticipated that there shall be a Subassociation for the Annexed Property.

Section 2.9 Commencement of Assessments. As provided in Section 8.14 of the Homeowners Declaration, Common Assessments shall commence as to each Privately Owned Site within the Annexed Property as of the date upon which the Annexing Deed for such Privately Owned Site is Recorded.

Section 2.10 Designation of Permitted Dwelling Units. Each Dwelling Unit constructed or to be constructed, in accordance with the provisions of the Homeowners Declaration and this Supplemental Declaration, on a Privately Owned Site within the Annexed Property, as shown on the Recorded subdivision plat(s) affecting such Privately Owned Site, shall be deemed a Permitted Dwelling Unit under the Homeowners Declaration.

ARTICLE III HOMEOWNERS ASSOCIATION PROPERTIES

Section 3.1 Member's Rights of Use and Enjoyment. Subject to the provisions of the Homeowners Declaration, each Owner of a Privately Owned Site within the Annexed Property shall have a nonexclusive right and easement for use and enjoyment of services provided by the Homeowners Association and of any Homeowners Association Properties for the purposes for which they are intended. Such right and easement shall be appurtenant to and pass with the title to the Privately Owned Site of such Member.

Section 3.2 Delegation of Rights of Use. A Member who owns a Residential Site in the Annexed Property may delegate his nonexclusive rights and easements for use and enjoyment of the services provided by the Homeowners Association and of Homeowners Association Properties to (a) any tenant who occupies a Dwelling Unit on the Residential Site of that Member; (b) any contract purchaser who occupies a Dwelling Unit on the Residential Site of that Member; (c) any Person who is part of the Common Household Group with an Owner, tenant, or contract purchaser who occupies a Dwelling Unit on the Residential Site of that Member; (d) if an Owner is a corporation, partnership or other such entity, such reasonable number of officers, directors, partners, shareholders, members or other natural Persons with an interest in such Owner who occupy a Dwelling Unit on the Residential Site as may be permitted by the Rules and Regulations adopted by the Homeowners Association and members of the Common Household Group of such Persons; and (e) guests of an Owner, tenant, contract purchaser or member of a Common Household Group to the extent permitted by such Rules

and Regulations. In order to use Homeowners Association Properties, tenants, contract purchasers or subtenants must agree, in writing with the Homeowners Association, to assume all of said Member's duties and obligations under the Homeowners Declaration and this Supplemental Declaration, except for the obligation to pay Assessments; provided, however, that said Member shall remain liable for the failure of such tenant, contract purchaser or subtenant to fulfill all such duties and obligations. Mortgagees and other Persons holding an interest in a Privately Owned Site in the Annexed Property as security for a debt or for performance of an obligation shall not be entitled to use and enjoy Homeowners Association Properties or services of the Homeowners Association prior to the time such Person forecloses its security interest and becomes an Owner of such Privately Owned Site. A Member who does not reside on or occupy a Dwelling Unit on a Privately Owned Site shall not be entitled to use and enjoy Homeowners Association Properties and services of the Homeowners Association, if a tenant or contract purchaser is occupying the Dwelling Unit on such Privately Owned Site and is, in accordance with the foregoing, entitled to use and enjoy Homeowners Association Properties and such services derived from such Member. Other Persons may be entitled, from time to time, to use Homeowners Association Properties on a temporary basis, in accordance with the Rules and Regulations adopted under, and subject to the Restrictions in, the Homeowners Declaration.

ARTICLE IV USE RESTRICTIONS

Section 4.1 General. All of the Annexed Property shall be held, used and enjoyed subject to the restrictions in the Homeowners Declaration, as well as the following Restrictions, except for the exemptions of Declarant set forth in the Homeowners Declaration which are hereby incorporated into this Supplemental Declaration as if set forth in full herein. To the extent that any of the following Restrictions are more restrictive than any similar Restrictions in the Homeowners Declaration, the Restrictions in this Supplemental Declaration shall control. The strict application of the following Restrictions in any specific case may be modified or waived in whole or in part by the Architectural Review Committee under the Homeowners Declaration if such strict application would be unreasonable or unduly harsh under the circumstances. Any such modification or waiver must be in writing or be contained in written guidelines or rules promulgated by the Architectural Review Committee.

Section 4.2 No Hanging Articles. No clothing or household fabrics or other articles shall be hung, dried or aired on any Privately Owned Site or Local Common Area in such a way as to be visible from other Privately Owned Sites or from the Homeowners Association Area except to the extent otherwise provided in guidelines promulgated by the Architectural Review Committee under the Homeowners Declaration.

Section 4.3 View and Solar Obstructions. No vegetation or other Improvements shall be planted, constructed or maintained upon any Privately Owned Site in the Annexed Property in such location or of such height as to unreasonably obstruct the view from any Privately Owned Site in the vicinity thereof or so as to unreasonably obstruct the operation of any previously existing solar energy installation. In the event of a dispute between owners in the Annexed Property as to the obstruction of a view from a Privately Owned Site or of operation of a solar energy installation, such dispute shall be resolved in accordance with the provisions for Notice and Hearing contained in the Bylaws of the Homeowners Association. Any such obstruction shall, upon request of the Board of Directors of the Homeowners Association, be removed or otherwise altered to the satisfaction of the Board of Directors of the Homeowners Association, by the Owner of the Privately Owned Site upon

which said obstruction is located. Each Owner of a Privately Owned Site shall be responsible for periodic trimming and pruning of all hedges, shrubs and trees located on the Site so as to not unreasonably obstruct the view of adjacent Owners.

Section 4.4 Landscaping. Within ninety (90) days after the date of Recordation of the Annexing Deed for a Residential Site in the Annexed Property, subject, however, to reasonable delays resulting from weather conditions, or within such longer period as may be approved in writing by the Architectural Review Committee under the Homeowners Declaration or authorized in guidelines promulgated by the Architectural Review Committee under the Homeowners Declaration, the Owner of such Residential Site shall install and thereafter maintain landscaping on the Residential Site and the Street Border Area adjacent to such Residential Site in a neat and attractive condition, including all necessary landscaping and gardening to properly maintain and periodically replace when necessary any trees, plants, grass and other vegetation which may be originally placed on such Residential Site or such Street Border Area by the Declarant. The Architectural Review Committee under the Homeowners Declaration may adopt guidelines or rules to regulate landscaping permitted and required on the Privately Owned Sites and Street Border Areas in the Annexed Property as provided in the Homeowners Declaration; provided, however, that Declarant shall be exempt from compliance with such rules and regulations. In the event that any Owner shall fail to install and maintain landscaping in conformance with such guidelines or rules, or shall allow landscaping to deteriorate to a dangerous, unsafe, unsightly or unattractive condition, the Board of Directors of the Homeowners Association upon thirty (30) days prior written notice to such Owner shall have the right either (a) to seek any remedies at law or in equity which it may have or to correct such condition, or (b) after Notice and Hearing, as defined in the Homeowners Declaration, to enter upon such Owner's Privately Owned Site and the adjacent Street Border Area for the purpose of correcting such condition and such Owner shall promptly reimburse the Homeowners Association for the cost thereof, or (c) both of the foregoing. Such cost shall be subject to a Reimbursement Assessment and shall create a lien enforceable in the manner set forth in the Homeowners Declaration.

Section 4.5 Vehicle Restriction. No recreation vehicle, camper, campers not on a truck, boat, mobile home, horse trailer or other trailer, tractor, motor home or truck (other than a pickup truck) shall be stored or shall be parked anywhere within the Annexed Property or on any public or private road or street in such a manner as to be visible from any portion of the Annexed Property for longer than seventy-two (72) hours in the same place or general area or for such other period as may be approved in writing by the Architectural Review Committee under the Homeowners Declaration or authorized in guidelines promulgated by the Architectural Review Committee under the Homeowners Declaration. Any such vehicle may be kept only within a garage, an enclosed structure approved by the Architectural Review Committee under the Homeowners Declaration or within a parking area designated by the Homeowners Association for storage and parking of such vehicles. No inoperable vehicle shall be repaired, constructed or allowed to remain on any portion of the Annexed Property or on any private or public street or road in such a manner as to be visible from any portion of the Homeowners Association Area. No vehicle, including, but not limited to, motorcycles, motorbikes, snowmobiles, bicycles, automobiles, trucks and trailers may be kept or used anywhere within the Annexed Property in violation of any applicable Rules and Regulations of the Homeowners Association. Such Rules and Regulations, among other things, may prohibit the keeping or use of motorcycles, motorbikes, snowmobiles or other loud or offensive vehicles, or may limit their use, and may regulate places of parking of such vehicles.

Section 4.6 Animals. No animals of any kind shall be raised, bred or kept in the Annexed Property except as hereinafter provided. A reasonable number of dogs, cats or other

household pets may be kept on a Residential Site, provided that (a) they are not kept, bred or maintained for any commercial purposes, (b) they do not make objectionable noises or otherwise constitute an unreasonable nuisance to other Owners, (c) they are kept within an enclosed yard on the Residential Site occupied by the Owner of such pets or on a leash being held by a Person capable of controlling the animal, and (d) they are not in violation of any other provision of the Homeowners Declaration and such limitations as may be set forth in the Rules and Regulations of the Homeowners Association. A "reasonable number" as used in this Section 4.6 shall ordinarily mean no more than two (2) pets per Site; provided, however, that the Board of Directors of the Homeowners Association or such other Person as the Board of Directors of the Homeowners Association may from time to time designate, may from time to time determine that a reasonable number in any instance may be more or less than two (2). The Homeowners Association, acting through the Board of the Homeowners Association, shall have the right to prohibit maintenance of any animal which, in the sole opinion of the Board of the Homeowners Association, is not being maintained in accordance with the foregoing restrictions. Each Owner maintaining any animal, and any Related User, shall be liable in accordance with Colorado Law to each and all remaining Owners and Related Users of such Owners for any damage to person or property caused by any such animal; and it shall be the absolute duty and responsibility of each such Owner or Related User to clean up after such animals to the extent they have used any portion of the Privately Owned Site of another Owner or any Local Common Area or Homeowners Association Properties.

Section 4.7 Restriction on Exterior Lighting. Except as may be approved in writing by the Architectural Review Committee under the Homeowners Declaration or in guidelines promulgated by the Architectural Review Committee under the Homeowners Declaration, no exterior lighting shall be permitted anywhere within the Annexed Property, including lighting to accent landscaping features, lights at entrance doors to structures, lights at entrances to property, lights along paths or driveways and lights to illuminate permitted signs. Any permitted exterior lights shall be of attractive design and shall be as small in size as is reasonably practical and shall be placed or located as directed or approved in writing by the Architectural Review Committee under the Homeowners Declaration or in guidelines promulgated by the Architectural Review Committee under the Homeowners Declaration.

Section 4.8 Casualty Insurance for Improvements. Each Owner of a Privately Owned Site within the Annexed Property shall be obligated to obtain and keep in full force and effect at all times casualty insurance with respect to all insurable Improvements on the Privately Owned Site for the full replacement value thereof, including coverage for fire and extended coverage, vandalism and malicious mischief and, if available and if deemed appropriate by the Homeowners Association as evidenced by a resolution of the Board of Directors, including flood, earthquake or war risk. In the event of damage or destruction to any insured Improvements, the proceeds of such insurance shall be applied by the Owner thereof, to the extent necessary, to cause the damage or destroyed Improvement to be restored or replaced to its original condition or such other condition as may be approved in writing by the Architectural Review Committee or to cause the damaged or destroyed Improvement to be demolished and the Privately Owned Site to be suitably landscaped so as to present a pleasing and attractive appearance.

Section 4.9 Solar Energy Installations. The Architectural Review Committee under the Homeowners Declaration shall approve the plans and specifications for the installation of residential solar systems, provided that the Architectural Review Committee under the Homeowners Declaration determines that such plans and specifications demonstrate the exercise of reasonable measures to minimize the potential adverse aesthetic impact of the installation on other portions of the

Homeowners Association Area. Any such Architectural Review Committee approval shall have no effect upon the enforceability of any other use Restriction in the Homeowners Declaration or this Supplemental Declaration. The Architectural Review Committee under the Homeowners Declaration may promulgate reasonable standards and guidelines against which to examine any such plans and specifications, in accordance with Article X of the Homeowners Declaration. Any such standards or guidelines restricting the installation or use of a solar energy system shall not significantly increase the cost of the system, nor significantly decrease its efficiency.

Section 4.10 Garage Sales. No garage, patio, porch or lawn sale shall be held on any Residential Site within the Annexed Property, except that the Owner of any such Residential Site may conduct such a sale for up to three (3) consecutive days not more than twice in any calendar year if (a) the items sold are only his own furniture and furnishings, not acquired for purposes of resale; (b) such sale is held at such time and in such manner as not to unreasonably disturb any other resident of the area; and (c) such sale is held in full compliance with the requirements of all applicable Law.

Section 4.11 Party Walls. Except as hereinafter provided, the rights and duties of Owners of contiguous Residential Sites within the Annexed Property, if any, which have shared walls or fences ("Party Walls") shall be as follows: (a) each Owner shall have the right to use the Party Wall, provided that such use does not interfere with the other Owner's use and enjoyment thereof; (b) if a Party Wall is damaged or destroyed through the willful or negligent act of an Owner or the Owner's Related Users, such Owner shall be obligated to rebuild and repair the Party Wall at such Owner's sole expense, and any dispute over such Owner's liability shall be resolved as provided in subsection (d) below; (c) in the event any Party Wall is damaged or destroyed other than by the willful or negligent act of an adjoining Owner or the Owner's Related Users, or deteriorates from ordinary wear and tear, it shall be the joint obligation of all Owners whose Residential Sites adjoin such Party Wall immediately to rebuild and repair such Party Wall, such expense to be ratably divided among such Owners on the basis of the amount of frontage of their respective Residential Sites on the damaged or destroyed Party Wall; (d) in the event of a dispute between Owners with respect to a Party Wall or the sharing of the cost thereof, such Owners shall submit the dispute to the Architectural Review Committee, whose decision shall be binding unless appealed to the Board of the Homeowners Association, in which event the Board's decisions, following Notice and Hearing, shall be binding and final; provided, however, that notwithstanding any such decision, no Owner shall be prohibited from seeking indemnity or damages from the party causing the damage; and (e) any wall or fence lying completely upon any portion of the Homeowners Association Property or Local Common Area, including any such wall or fence which lies adjacent to a Residential Site, shall not be considered a Party Wall under this Section 4.11.

Section 4.12 Window Coverings. No external window covering or reflective covering may be placed, or permitted to remain, on any window of any building, structure or other Improvement within the Annexed Property without the prior written approval of the Architectural Review Committee.

ARTICLE V MISCELLANEOUS PROVISIONS

Section 5.1 Term of Supplemental Declaration. Unless amended as herein provided, each provision contained in this Supplemental Declaration which is subject to the laws or rules sometimes referred to as the rule against perpetuities or the rule prohibiting unreasonable

restraints on alienation shall continue and remain in full force and effect for the period of twenty-one (21) years following the death of the survivor of Jeffrey F. Kappes, John Kilrow and Chester T. Latcham and the now living children of said persons, or until this Supplemental Declaration is terminated as hereinafter provided, whichever first occurs. Unless amended as herein provided, all other provisions or Restrictions contained in this Supplemental Declaration shall be effective until December 31, 2052, and, thereafter, shall be automatically extended for successive periods of ten (10) years each unless terminated by first obtaining the written consent of the Homeowners Association and then obtaining the vote, by written ballot, of Members holding at least seventy-five percent (75%) of the voting power of Members of the Homeowners Association present in person or by proxy at a duly constituted meeting of the Members. The termination of this Supplemental Declaration shall be effective upon the Recording of a certificate, executed by the President or a Vice President and the Secretary or an Assistant Secretary of the Homeowners Association stating that this Supplemental Declaration has been terminated with the written consent of the Homeowners Association and by the vote of Members as provided herein.

Section 5.2 Amendment of Supplemental Declaration by Declarant. Until the first Privately Owned Site within the Includable Property is made subject to this Supplemental Declaration by the Recordation of an Annexing Deed therefor, any of the provisions or Restrictions contained in this Supplemental Declaration may be amended or terminated by Declarant by the Recordation of a written instrument, executed by Declarant, setting forth such amendment or termination. Declarant also hereby reserves and is granted the right and power to make and, where required, to Record technical amendments to this Supplemental Declaration at any time prior to the expiration of the Period of Special Declarant's Rights, for the purposes of correcting spelling, grammar, dates, cross references, typographical errors or other similar technical errors, or as may otherwise be required to clarify the meaning of any provision of this Supplemental Declaration. Additionally, Declarant reserves the right, until the expiration of the Period of Special Declarant Rights, to amend this Supplemental Declaration insofar as the same applies to a particular Privately Owned Site with respect to which the Owner thereof desires to impose a condominium ownership regime, without the consent of any Person other than the owner of such Privately Owned Site, to make conforming amendments to this Supplemental Declaration as shall reasonably be necessary to reflect such condominium ownership regime, provided that such amendments shall not violate or be inconsistent with the provisions of the Homeowners Declaration. Any such amendment shall refer to this Supplemental Declaration, shall set forth the amendments hereto, shall be executed by the Declarant and, if so required pursuant to this Section, the Owner of the Privately Owned Site affected thereby, and shall be Recorded.

Section 5.3 Amendment of Supplemental Declaration by Members. Except as otherwise provided in this Supplemental Declaration, any provisions or Restrictions contained in this Supplemental Declaration may be amended or repealed at any time and from time to time by first obtaining the written approval of the Homeowners Association and then obtaining the approval of the amendment or repeal by Members holding at least sixty-seven percent (67%) of the voting Power of the Homeowners Association present in person or by proxy at a duly constituted meeting of Members. The approval of any such amendment or repeal shall be evidenced by the certification by the Secretary of the Homeowners Association to the Board of Directors of the Homeowners Association of the votes of the Members. The amendment or repeal shall be effective upon the Recordation of a certificate, executed by the President or a Vice President and the Secretary or an Assistant Secretary of the Homeowners Association setting forth the amendment or repeal in full and certifying that the amendment or repeal has been approved in writing by the Homeowners Association, and approved by the Members as set forth herein.

Section 5.4 Amendment Required by Government Mortgage Agencies.

Notwithstanding the provisions of Section 5.3 hereof requiring approval of an amendment or repeal by Members holding at least sixty-seven percent (67%) of the voting power of the Members, if Declarant shall determine that any amendments to this Supplemental Declaration shall be necessary in order for existing or future mortgages, deeds of trust or other security instruments to be acceptable to any of the Government Mortgage Agencies, then, subject to the following sentence of this Section, Declarant shall have and hereby specifically reserves the right and power to make and execute any such amendments without obtaining the approval of any Owners or First Mortgagees or any other Mortgagee. Each such amendment of this Supplemental Declaration shall be made, if at all, by Declarant prior to the expiration of the Period of Special Declarant's Rights, and each such amendment must contain thereon the written approval of the VA or HUD, to the extent required by VA or HUD.

Section 5.5. Required Consent of Declarant to Amendment or Termination.

Notwithstanding any other provision in this Supplemental Declaration to the contrary, any proposed amendment, repeal or termination of any provision of this Supplemental Declaration shall not be effective unless Declarant has given its written consent to such amendment, repeal or termination, which consent may be evidenced by the execution by Declarant of any certificate of amendment, repeal or termination. The foregoing requirement for consent of Declarant to any amendment, repeal or termination shall terminate upon the expiration of the Period of Special Declarant's Rights.

Section 5.6 Withdrawal of Annexed Property. The Annexed Property may be withdrawn from coverage of this Supplemental Declaration in accordance with the provisions of Section 3.4 of the Homeowners Declaration.

Section 5.7 Mortgagee Protection. The provisions of Sections 13.7 through 13.15 of the Homeowners Declaration are hereby ratified and confirmed and incorporated in this Supplemental Declaration as if repeated herein in full. In addition, (a) consistent with Section 13.7 of the Homeowners Declaration, any First Mortgagee of a Mortgage encumbering a Privately Owned Site in the Annexed Property subject to this Supplemental Declaration shall, upon filing a written request therefore with the Homeowners Association, be entitled to receive at least thirty (30) days written notice prior to the effective date of any proposed material amendment to this Supplemental Declaration; (b) consistent with Section 13.13 of the Homeowners Declaration, there shall be no amendment of any material provision of this Supplemental Declaration unless at least fifty-one percent (51%) of the Eligible First Mortgagees of Mortgages encumbering Privately Owned Sites in the Annexed Property subject to this Supplemental Declaration [based upon one (1) vote for each Mortgage owned] have given their written approval; and (c) consistent with Section 13.14 of the Homeowners Declaration, the prior approval of the HUD or VA in accordance with the procedures set forth in said Section 13.14, shall be required for any amendment of this Supplemental Declaration during the Period of Declarant Control and provided that HUD or the VA is insuring or guarantying or has agreed to insure or guaranty loans in any portion of the Annexed Property with respect to initial sales of Privately Owned Sites by Declarant, or its successors or assigns, in the Annexed Property.


Section 5.8 Notice, Enforcement and Other Provisions. The provisions of Sections 13.16 through 13.30 of the Homeowners Declaration are hereby incorporated in this Supplemental Declaration as if repeated herein in full except that, for purposes of this Supplemental Declaration the term "Homeowners Declaration" or "Declaration" when used in said Sections shall, in each case, be deemed to refer to this Supplemental Declaration.


Section 5.9 Successors and Assigns of Declarant. A party shall be deemed a "successor" or an "assign" of Shea Homes Limited Partnership d/b/a Shea Homes ("Shea") under this Supplemental Declaration only if specifically designated in a duly recorded instrument as a successor or assign of Shea under this Supplemental Declaration or if specifically designated in a duly recorded instrument as a successor or assign of Shea as Declarant generally under the Homeowners Declaration (as opposed to designation as a successor or assign of Shea under certain provisions of the Homeowners Declaration or with respect to only certain property made subject to the Homeowners Declaration). However, a successor to Shea by consolidation or merger, and any Person acquiring all or substantially all of the right, title and interest of Shea in Reunion by foreclosure, judicial sale, bankruptcy proceedings or by other similar involuntary transfer, shall automatically be deemed a successor and assign of Shea under this Supplemental Declaration.

IN WITNESS WHEREOF, Declarant has executed this Supplemental Declaration the day and year first above written.

SHEA HOMES LIMITED PARTNERSHIP, a California limited partnership d/b/a Shea Homes

By: J. F. SHEA CO., INC., a Nevada corporation, its general partner

By: 
 Name: John F. Shea
 Title: President

By: 
 Name: JEFFREY H. DANIELSON
 Title: ASSISTANT SECRETARY

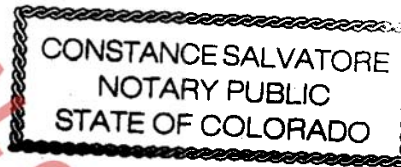
STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this 29 day of August, 2002, by JOHN KILBROW as ASS'T SECY and JEFFREY H. DONELSON as ASS'T SECY of J. F. Shea Co., Inc., a Nevada corporation, as general partner of Shea Homes Limited Partnership, a California limited partnership d/b/a Shea Homes.

Witness my hand and official seal.

My commission expires: 4-10-03

Constance Salvatore
Notary Public



UNOFFICIAL COPY

**EXHIBIT A
TO
SUPPLEMENTAL DECLARATION NO. 2
FOR
FUTURE ANNEXATIONS OF
ANNEXED PROPERTY
TO
REUNION HOMEOWNERS ASSOCIATION, INC.**

(Lots 139-145, Reunion Filing No. 1, and Lots 37-176, Reunion Filing No. 2)

Legal Description of Includable Property

Lots 139 through 145, inclusive, Reunion Filing No. 1, City of Commerce City, County of Adams, State of Colorado, according to the recorded plat thereof.

Lots 37 through 176, inclusive, Reunion Filing No. 2, City of Commerce City, County of Adams, State of Colorado, according to the recorded plat thereof.

UNOFFICIAL COPY

2

Recording Requested by, and
When Recorded Mail to:

SHEA HOMES
9135 SOUTH RIDGELINE BOULEVARD, SUITE 100
HIGHLANDS RANCH, CO 80129
ATTN: LEGAL DEPARTMENT

SUPPLEMENTAL DECLARATION

FOR

ANNEXED PROPERTY NO. 1

OF

REUNION HOMEOWNERS ASSOCIATION, INC.

(Richmond American Homes of Colorado, Inc. - Filing Nos. 1 and 2)

Land Title Guarantee Company
hereby certifies this to be a true
and correct copy of the original
recorded 8-27-02
at C 1015875

BY: 

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SUPPLEMENTAL DECLARATION

FOR

ANNEXED PROPERTY NO. 1

OF

REUNION HOMEOWNERS ASSOCIATION, INC.

(Richmond American Homes of Colorado, Inc. – Filing Nos. 1 and 2)

This Supplemental Declaration is made this 23rd day of August, 2002, by SHEA HOMES LIMITED PARTNERSHIP, a California limited partnership d/b/a Shea Homes ("Declarant").

PREAMBLE

A. Declarant is the Declarant under the Declaration for Reunion Homeowners Association, Inc. (defined hereinafter as the "Homeowners Declaration").

B. Declarant is the Owner of certain real property described hereinafter in this Supplemental Declaration as the Annexed Property.

C. The Annexed Property described in this Supplemental Declaration is a portion of certain real property described as the Annexable Area in the Homeowners Declaration which Declarant intends to subdivide and improve as a planned community to be known as Reunion in accordance with the Homeowners Declaration. In furtherance of the Homeowners Declaration and the PUD Zone Document as hereinafter defined, Declarant desires to improve, own and convey the Annexed Property in accordance with the terms of the Homeowners Declaration and to provide for the annexation of the Annexed Property to the Homeowners Declaration and this Supplemental Declaration. **In accordance therewith, Declarant desires that the Owners who own portions of the Annexed Property shall be subject to the provisions of the Homeowners Declaration and this Supplemental Declaration.**

D. Pursuant to Article III of the Homeowners Declaration, Declarant desires to impose additional covenants, conditions, restrictions and reservations on the Annexed Property, as hereinafter provided.

NOW, THEREFORE, IN ACCORDANCE WITH THE FOREGOING, DECLARANT HEREBY DECLARES AS FOLLOWS:

ARTICLE I
DEFINITIONS

Section 1.1 General. Unless as the context otherwise requires and unless otherwise expressly provided herein, the capitalized terms in this Supplemental Declaration shall have the same meaning as any similarly capitalized term defined in the Homeowners Declaration. The following

words and phrases when used in this Supplemental Declaration shall have the meaning hereinafter specified.

Section 1.2 Annexed Property. "Annexed Property" shall mean the real property described in Exhibit A attached hereto and incorporated by reference herein. The Annexed Property includes all rights and easements, if any, appurtenant to the real property described in Exhibit A attached hereto. The use and enjoyment of any of such rights and easements by any person shall be subject to the terms and provisions of this Supplemental Declaration.

Section 1.3 Homeowners Declaration. "Homeowners Declaration" shall mean the Declaration for Reunion Homeowners Association, Inc., Recorded on the same date as, but prior to, the Recording of this Supplemental Declaration, as the same may be amended from time to time.

Section 1.4 PUD Zone Document. "PUD Zone Document" shall mean the Buffalo Hills Ranch – PUD Zone Document Recorded October 27, 2000, under Reception No. C0725646, as the same heretofore may have been, and hereafter may be, amended from time to time.

Section 1.5 Street Border Areas. "Street Border Area" shall mean any area which has been platted as a portion of a street right-of-way and which lies between the boundaries of a Residential Site within the Annexed Property and the pavement or curbing of the street. Street Border Areas shall not include any driveways or walks.

ARTICLE II

ANNEXATION TO HOMEOWNERS ASSOCIATION AREA

Section 2.1 Declaration. Pursuant to Section 3.2 of the Homeowners Declaration, Declarant, as the present owner thereof, for itself, its successors and assigns, hereby declares that the Annexed Property shall be part of the Homeowners Association Area under the Homeowners Declaration and, in accordance therewith, the Annexed Property hereby shall be subject to the Homeowners Declaration. In accordance with the foregoing, the Annexed Property, and each part thereof, shall be owned, held, transferred, conveyed, sold, leased, rented, hypothecated, encumbered, used, occupied, maintained, altered and improved subject to the Restrictions and other provisions set forth in the Homeowners Declaration and this Supplemental Declaration, for the duration thereof.

Section 2.2 General Plan. This Supplemental Declaration is hereby established as a part of, pursuant to and in furtherance of a common and general plan in accordance with the Homeowners Declaration and the PUD Zone Document for the improvement and ownership of the Annexed Property and for the purpose of enhancing and protecting the value, desirability and attractiveness of the Annexed Property.

Section 2.3 Equitable Servitudes. The Restrictions set forth in the Homeowners Declaration and this Supplemental Declaration are hereby imposed as equitable servitudes upon the Annexed Property, including without limitation, upon each Privately Owned Site, Homeowners Association Property, Local Common Area and other parcel of property within the Annexed Property, as a servient tenement, for the benefit of each and every other Privately Owned Site, Homeowners Association Property, Local Common Area or other parcel of property within the Homeowners Association Area, as the dominant tenements.

Section 2.4 Restrictions Appurtenant. The Restrictions set forth in the Homeowners Declaration and this Supplemental Declaration shall run with, inure to the benefit of, and be binding upon, (a) all of the Annexed Property; (b) each Privately Owned Site located within the Annexed Property; and (c) any Homeowners Association Properties or Local Common Area located within the Annexed Property. The Restrictions set forth in the Homeowners Declaration and this Supplemental Declaration which are imposed upon the Annexed Property by this Supplemental Declaration shall inure to the benefit of: (i) the Annexed Property, (ii) Declarant and its successors and assigns, (iii) the Homeowners Association and its successors and assigns, (iv) each Member of the Homeowners Association and any property within the Homeowners Association Area owned by such a Member, and (v) all persons having or hereafter acquiring any right, title or interest in all or any portion of the Annexed Property and their heirs, personal representatives, successors, and assigns.

Section 2.5 Land Classification. Each Lot within the Annexed Property is hereby designated, pursuant to Article III of the Homeowners Declaration, to be a Privately Owned Site, each of which also constitute both a Residential Site and a Single Family Residential Site as defined in the Homeowners Declaration.

Section 2.6 No Homeowners Association Property. No portion of the Annexed Property is or shall be Homeowners Association Property as defined in the Homeowners Declaration.

Section 2.7 No Subassociation. As of the date of this Supplemental Declaration, it is not anticipated that there shall be a Subassociation for the Annexed Property.

Section 2.8 Commencement of Assessments. As provided in Section 8.14 of the Homeowners Declaration, Common Assessments shall commence as to the Annexed Property, and each Privately Owned Site contained therein, as of the date upon which this Supplemental Declaration is Recorded.

ARTICLE III **HOMEOWNERS ASSOCIATION PROPERTIES**

Section 3.1 Member's Rights of Use and Enjoyment. Subject to the provisions of the Homeowners Declaration, each Owner of a Privately Owned Site within the Annexed Property shall have a nonexclusive right and easement for use and enjoyment of services provided by the Homeowners Association and of any Homeowners Association Properties for the purposes for which they are intended. Such right and easement shall be appurtenant to and pass with the title to the Privately Owned Site of such Member.

Section 3.2 Delegation of Rights of Use. A Member who owns a Residential Site in the Annexed Property may delegate his nonexclusive rights and easements for use and enjoyment of the services provided by the Homeowners Association and of Homeowners Association Properties to (a) any tenant who occupies a Dwelling Unit on the Residential Site of that Member; (b) any contract purchaser who occupies a Dwelling Unit on the Residential Site of that Member; (c) any Person who is part of the Common Household Group with an Owner, tenant, or contract purchaser who occupies a Dwelling Unit on the Residential Site of that Member; (d) if an Owner is a corporation, partnership or other such entity, such reasonable number of officers, directors, partners, shareholders, members or other natural Persons with an interest in such Owner who occupy a Dwelling Unit on the Residential Site as may be permitted by the Rules and Regulations adopted by the Homeowners Association and

members of the Common Household Group of such Persons; and (e) guests of an Owner, tenant, contract purchaser or member of a Common Household Group to the extent permitted by such Rules and Regulations. In order to use Homeowners Association Properties, tenants, contract purchasers or subtenants must agree, in writing with the Homeowners Association, to assume all of said Member's duties and obligations under the Homeowners Declaration and this Supplemental Declaration, except for the obligation to pay Assessments; provided, however, that said Member shall remain liable for the failure of such tenant, contract purchaser or subtenant to fulfill all such duties and obligations. Mortgagees and other Persons holding an interest in a Privately Owned Site in the Annexed Property as security for a debt or for performance of an obligation shall not be entitled to use and enjoy Homeowners Association Properties or services of the Homeowners Association prior to the time such Person forecloses its security interest and becomes an Owner of such Privately Owned Site. A Member who does not reside on or occupy a Dwelling Unit on a Privately Owned Site shall not be entitled to use and enjoy Homeowners Association Properties and services of the Homeowners Association, if a tenant or contract purchaser is occupying the Dwelling Unit on such Privately Owned Site and is, in accordance with the foregoing, entitled to use and enjoy Homeowners Association Properties and such services derived from such Member. Other Persons may be entitled, from time to time, to use Homeowners Association Properties on a temporary basis, in accordance with the Rules and Regulations adopted under, and subject to the Restrictions in, the Homeowners Declaration.

ARTICLE IV USE RESTRICTIONS

Section 4.1 General. All of the Annexed Property shall be held, used and enjoyed subject to the restrictions in the Homeowners Declaration, as well as the following Restrictions, except for the exemptions of Declarant set forth in the Homeowners Declaration which are hereby incorporated into this Supplemental Declaration as if set forth in full herein. To the extent that any of the following Restrictions are more restrictive than any similar Restrictions in the Homeowners Declaration, the Restrictions in this Supplemental Declaration shall control. The strict application of the following Restrictions in any specific case may be modified or waived in whole or in part by the Architectural Review Committee under the Homeowners Declaration if such strict application would be unreasonable or unduly harsh under the circumstances. Any such modification or waiver must be in writing or be contained in written guidelines or rules promulgated by the Architectural Review Committee.

Section 4.2 No Hanging Articles. No clothing or household fabrics or other articles shall be hung, dried or aired on any Privately Owned Site or Local Common Area in such a way as to be visible from other Privately Owned Sites or from the Homeowners Association Area except to the extent otherwise provided in guidelines promulgated by the Architectural Review Committee under the Homeowners Declaration.

Section 4.3 View and Solar Obstructions. No vegetation or other Improvements shall be planted, constructed or maintained upon any Privately Owned Site in the Annexed Property in such location or of such height as to unreasonably obstruct the view from any Privately Owned Site in the vicinity thereof or so as to unreasonably obstruct the operation of any previously existing solar energy installation. In the event of a dispute between owners in the Annexed Property as to the obstruction of a view from a Privately Owned Site or of operation of a solar energy installation, such dispute shall be resolved in accordance with the provisions for Notice and Hearing contained in the Bylaws of the Homeowners Association. Any such obstruction shall, upon request of the Board of

Directors of the Homeowners Association, be removed or otherwise altered to the satisfaction of the Board of Directors of the Homeowners Association, by the Owner of the Privately Owned Site upon which said obstruction is located. Each Owner of a Privately Owned Site shall be responsible for periodic trimming and pruning of all hedges, shrubs and trees located on the Site so as to not unreasonably obstruct the view of adjacent Owners.

Section 4.4 Landscaping. Within ninety (90) days after the date upon which a certificate of occupancy is issued by the City of Commerce City, Colorado for the Dwelling Unit located on a Residential Site in the Annexed Property (subject, however, to delays resulting from adverse weather conditions), or within such longer period as may be approved in writing by the Architectural Review Committee under the Homeowners Declaration or authorized in guidelines promulgated by the Architectural Review Committee under the Homeowners Declaration, the Owner of such Residential Site shall install and thereafter maintain landscaping on the Residential Site and the Street Border Area adjacent to such Residential Site in a neat and attractive condition, including all necessary landscaping and gardening to properly maintain and periodically replace when necessary any trees, plants, grass and other vegetation which may be originally placed on such Residential Site or such Street Border Area by the Declarant. The Architectural Review Committee under the Homeowners Declaration may adopt guidelines or rules to regulate landscaping permitted and required on the Privately Owned Sites and Street Border Areas in the Annexed Property as provided in the Homeowners Declaration; provided, however, that Declarant shall be exempt from compliance with such rules and regulations. In the event that any Owner shall fail to install and maintain landscaping in conformance with such guidelines or rules, or shall allow landscaping to deteriorate to a dangerous, unsafe, unsightly or unattractive condition, the Board of Directors of the Homeowners Association upon thirty (30) days prior written notice to such Owner shall have the right either (a) to seek any remedies at law or in equity which it may have or to correct such condition, or (b) after Notice and Hearing, as defined in the Homeowners Declaration, to enter upon such Owner's Privately Owned Site and the adjacent Street Border Area for the purpose of correcting such condition and such Owner shall promptly reimburse the Homeowners Association for the cost thereof, or (c) both of the foregoing. Such cost shall be subject to a Reimbursement Assessment and shall create a lien enforceable in the manner set forth in the Homeowners Declaration.

Section 4.5 Vehicle Restriction. No recreation vehicle, camper, campers not on a truck, boat, mobile home, horse trailer or other trailer, tractor, motor home or truck (other than a pickup truck) shall be stored or shall be parked anywhere within the Annexed Property or on any public or private road or street in such a manner as to be visible from any portion of the Annexed Property for longer than seventy-two (72) hours in the same place or general area or for such other period as may be approved in writing by the Architectural Review Committee under the Homeowners Declaration or authorized in guidelines promulgated by the Architectural Review Committee under the Homeowners Declaration. Any such vehicle may be kept only within a garage, an enclosed structure approved by the Architectural Review Committee under the Homeowners Declaration or within a parking area designated by the Homeowners Association for storage and parking of such vehicles. No inoperable vehicle shall be repaired, constructed or allowed to remain on any portion of the Annexed Property or on any private or public street or road in such a manner as to be visible from any portion of the Homeowners Association Area. No vehicle, including, but not limited to, motorcycles, motorbikes, snowmobiles, bicycles, automobiles, trucks and trailers may be kept or used anywhere within the Annexed Property in violation of any applicable Rules and Regulations of the Homeowners Association. Such Rules and Regulations, among other things, may prohibit the keeping or use of motorcycles, motorbikes, snowmobiles or other loud or offensive vehicles, or may limit their use, and may regulate places of parking of such vehicles.

Section 4.6 Animals. No animals of any kind shall be raised, bred or kept in the Annexed Property except as hereinafter provided. A reasonable number of dogs, cats or other household pets may be kept on a Residential Site, provided that (a) they are not kept, bred or maintained for any commercial purposes, (b) they do not make objectionable noises or otherwise constitute an unreasonable nuisance to other Owners, (c) they are kept within an enclosed yard on the Residential Site occupied by the Owner of such pets or on a leash being held by a Person capable of controlling the animal, and (d) they are not in violation of any other provision of the Homeowners Declaration and such limitations as may be set forth in the Rules and Regulations of the Homeowners Association. A "reasonable number" as used in this Section 4.6 shall ordinarily mean no more than two (2) pets per Site; provided, however, that the Board of Directors of the Homeowners Association or such other Person as the Board of Directors of the Homeowners Association may from time to time designate, may from time to time determine that a reasonable number in any instance may be more or less than two (2). The Homeowners Association, acting through the Board of the Homeowners Association, shall have the right to prohibit maintenance of any animal which, in the sole opinion of the Board of the Homeowners Association, is not being maintained in accordance with the foregoing restrictions. Each Owner maintaining any animal, and any Related User, shall be liable in accordance with Colorado Law to each and all remaining Owners and Related Users of such Owners for any damage to person or property caused by any such animal; and it shall be the absolute duty and responsibility of each such Owner or Related User to clean up after such animals to the extent they have used any portion of the Privately Owned Site of another Owner or any Local Common Area or Homeowners Association Properties.

Section 4.7 Restriction on Exterior Lighting. Except as may be approved in writing by the Architectural Review Committee under the Homeowners Declaration or in guidelines promulgated by the Architectural Review Committee under the Homeowners Declaration, no exterior lighting shall be permitted anywhere within the Annexed Property, including lighting to accent landscaping features, lights at entrance doors to structures, lights at entrances to property, lights along paths or driveways and lights to illuminate permitted signs. Any permitted exterior lights shall be of attractive design and shall be as small in size as is reasonably practical and shall be placed or located as directed or approved in writing by the Architectural Review Committee under the Homeowners Declaration or in guidelines promulgated by the Architectural Review Committee under the Homeowners Declaration.

Section 4.8 Casualty Insurance for Improvements. Each Owner of a Privately Owned Site within the Annexed Property shall be obligated to obtain and keep in full force and effect at all times casualty insurance with respect to all insurable Improvements on the Privately Owned Site for the full replacement value thereof, including coverage for fire and extended coverage, vandalism and malicious mischief and, if available and if deemed appropriate by the Homeowners Association as evidenced by a resolution of the Board of Directors, including flood, earthquake or war risk. In the event of damage or destruction to any insured Improvements, the proceeds of such insurance shall be applied by the Owner thereof, to the extent necessary, to cause the damage or destroyed Improvement to be restored or replaced to its original condition or such other condition as may be approved in writing by the Architectural Review Committee or to cause the damaged or destroyed Improvement to be demolished and the Privately Owned Site to be suitably landscaped so as to present a pleasing and attractive appearance.

Section 4.9 Solar Energy Installations. The Architectural Review Committee under the Homeowners Declaration shall approve the plans and specifications for the installation of

residential solar systems, provided that the Architectural Review Committee under the Homeowners Declaration determines that such plans and specifications demonstrate the exercise of reasonable measures to minimize the potential adverse aesthetic impact of the installation on other portions of the Homeowners Association Area. Any such Architectural Review Committee approval shall have no effect upon the enforceability of any other use Restriction in the Homeowners Declaration or this Supplemental Declaration. The Architectural Review Committee under the Homeowners Declaration may promulgate reasonable standards and guidelines against which to examine any such plans and specifications, in accordance with Article X of the Homeowners Declaration. Any such standards or guidelines restricting the installation or use of a solar energy system shall not significantly increase the cost of the system, nor significantly decrease its efficiency.

Section 4.10 Garage Sales. No garage, patio, porch or lawn sale shall be held on any Residential Site within the Annexed Property, except that the Owner of any such Residential Site may conduct such a sale for up to three (3) consecutive days not more than twice in any calendar year if (a) the items sold are only his own furniture and furnishings, not acquired for purposes of resale; (b) such sale is held at such time and in such manner as not to unreasonably disturb any other resident of the area; and (c) such sale is held in full compliance with the requirements of all applicable Law.

Section 4.11 Party Walls. Except as hereinafter provided, the rights and duties of Owners of contiguous Residential Sites within the Annexed Property, if any, which have shared walls or fences ("Party Walls") shall be as follows: (a) each Owner shall have the right to use the Party Wall, provided that such use does not interfere with the other Owner's use and enjoyment thereof; (b) if a Party Wall is damaged or destroyed through the willful or negligent act of an Owner or the Owner's Related Users, such Owner shall be obligated to rebuild and repair the Party Wall at such Owner's sole expense, and any dispute over such Owner's liability shall be resolved as provided in subsection (d) below; (c) in the event any Party Wall is damaged or destroyed other than by the willful or negligent act of an adjoining Owner or the Owner's Related Users, or deteriorates from ordinary wear and tear, it shall be the joint obligation of all Owners whose Residential Sites adjoin such Party Wall immediately to rebuild and repair such Party Wall, such expense to be ratably divided among such Owners on the basis of the amount of frontage of their respective Residential Sites on the damaged or destroyed Party Wall; (d) in the event of a dispute between Owners with respect to a Party Wall or the sharing of the cost thereof, such Owners shall submit the dispute to the Architectural Review Committee, whose decision shall be binding unless appealed to the Board of the Homeowners Association, in which event the Board's decisions, following Notice and Hearing, shall be binding and final; provided, however, that notwithstanding any such decision, no Owner shall be prohibited from seeking indemnity or damages from the party causing the damage; and (e) any wall or fence lying completely upon any portion of the Homeowners Association Property or Local Common Area, including any such wall or fence which lies adjacent to a Residential Site, shall not be considered a Party Wall under this Section 4.11.

Section 4.12 Window Coverings. No external window covering or reflective covering may be placed, or permitted to remain, on any window of any building, structure or other Improvement within the Annexed Property without the prior written approval of the Architectural Review Committee.

ARTICLE V
MISCELLANEOUS PROVISIONS

Section 5.1 **Term of Supplemental Declaration.** Unless amended as herein provided, each provision contained in this Supplemental Declaration which is subject to the laws or rules sometimes referred to as the rule against perpetuities or the rule prohibiting unreasonable restraints on alienation shall continue and remain in full force and effect for the period of twenty-one (21) years following the death of the survivor of Jeffrey F. Kappes, John Kilrow and Chester T. Latcham and the now living children of said persons, or until this Supplemental Declaration is terminated as hereinafter provided, whichever first occurs. Unless amended as herein provided, all other provisions or Restrictions contained in this Supplemental Declaration shall be effective until December 31, 2052, and, thereafter, shall be automatically extended for successive periods of ten (10) years each unless terminated by first obtaining the written consent of the Homeowners Association and then obtaining the vote, by written ballot, of Members holding at least seventy-five percent (75%) of the voting power of Members of the Homeowners Association present in person or by proxy at a duly constituted meeting of the Members. The termination of this Supplemental Declaration shall be effective upon the Recording of a certificate, executed by the President or a Vice President and the Secretary or an Assistant Secretary of the Homeowners Association stating that this Supplemental Declaration has been terminated with the written consent of the Homeowners Association and by the vote of Members as provided herein.

Section 5.2 **Amendment of Supplemental Declaration by Declarant.** Until the first Privately Owned Site within the Annexed Property has been conveyed by Declarant by Recorded deed, any of the provisions or Restrictions contained in this Supplemental Declaration may be amended or terminated by Declarant by the Recordation of a written instrument, executed by Declarant, setting forth such amendment or termination. Declarant also hereby reserves and is granted the right and power to make and, where required, to Record technical amendments to this Supplemental Declaration at any time prior to the expiration of the Period of Special Declarant's Rights, for the purposes of correcting spelling, grammar, dates, cross references, typographical errors or other similar technical errors, or as may otherwise be required to clarify the meaning of any provision of this Supplemental Declaration. Additionally, Declarant reserves the right, until the expiration of the Period of Special Declarant Rights, to amend this Supplemental Declaration insofar as the same applies to a particular Privately Owned Site with respect to which the Owner thereof desires to impose a condominium ownership regime, without the consent of any Person other than the owner of such Privately Owned Site, to make conforming amendments to this Supplemental Declaration as shall reasonably be necessary to reflect such condominium ownership regime, provided that such amendments shall not violate or be inconsistent with the provisions of the Homeowners Declaration. Any such amendment shall refer to this Supplemental Declaration, shall set forth the amendments hereto, shall be executed by the Declarant and, if so required pursuant to this Section, the Owner of the Privately Owned Site affected thereby, and shall be Recorded.

Section 5.3 **Amendment of Supplemental Declaration by Members.** Except as otherwise provided in this Supplemental Declaration, any provisions or Restrictions contained in this Supplemental Declaration may be amended or repealed at any time and from time to time by first obtaining the written approval of the Homeowners Association and then obtaining the approval of the amendment or repeal by Members holding at least sixty-seven percent (67%) of the voting Power of the Homeowners Association present in person or by proxy at a duly constituted meeting of Members. The approval of any such amendment or repeal shall be evidenced by the certification by the Secretary of the Homeowners Association to the Board of Directors of the Homeowners Association of the votes of

the Members. The amendment or repeal shall be effective upon the Recordation of a certificate, executed by the President or a Vice President and the Secretary or an Assistant Secretary of the Homeowners Association setting forth the amendment or repeal in full and certifying that the amendment or repeal has been approved in writing by the Homeowners Association, and approved by the Members as set forth herein.

Section 5.4 Amendment Required by Government Mortgage Agencies.

Notwithstanding the provisions of Section 5.3 hereof requiring approval of an amendment or repeal by Members holding at least sixty-seven percent (67%) of the voting power of the Members, if Declarant shall determine that any amendments to this Supplemental Declaration shall be necessary in order for existing or future mortgages, deeds of trust or other security instruments to be acceptable to any of the Government Mortgage Agencies, then, subject to the following sentence of this Section, Declarant shall have and hereby specifically reserves the right and power to make and execute any such amendments without obtaining the approval of any Owners or First Mortgagees or any other Mortgagee. Each such amendment of this Supplemental Declaration shall be made, if at all, by Declarant prior to the expiration of the Period of Special Declarant's Rights, and each such amendment must contain thereon the written approval of the VA or HUD, to the extent required by VA or HUD.

Section 5.5. Required Consent of Declarant to Amendment or Termination.

Notwithstanding any other provision in this Supplemental Declaration to the contrary, any proposed amendment, repeal or termination of any provision of this Supplemental Declaration shall not be effective unless Declarant has given its written consent to such amendment, repeal or termination, which consent may be evidenced by the execution by Declarant of any certificate of amendment, repeal or termination. The foregoing requirement for consent of Declarant to any amendment, repeal or termination shall terminate upon the expiration of the Period of Special Declarant's Rights.

Section 5.6 Withdrawal of Annexed Property.

The Annexed Property may be withdrawn from coverage of this Supplemental Declaration in accordance with the provisions of Section 3.4 of the Homeowners Declaration.

Section 5.7 Mortgagee Protection.

The provisions of Sections 13.7 through 13.15 of the Homeowners Declaration are hereby ratified and confirmed and incorporated in this Supplemental Declaration as if repeated herein in full. In addition, (a) consistent with Section 13.7 of the Homeowners Declaration, any First Mortgagee of a Mortgage encumbering a Privately Owned Site in the Annexed Property subject to this Supplemental Declaration shall, upon filing a written request therefore with the Homeowners Association, be entitled to receive at least thirty (30) days written notice prior to the effective date of any proposed material amendment to this Supplemental Declaration; (b) consistent with Section 13.13 of the Homeowners Declaration, there shall be no amendment of any material provision of this Supplemental Declaration unless at least fifty-one percent (51%) of the Eligible First Mortgagees of Mortgages encumbering Privately Owned Sites in the Annexed Property subject to this Supplemental Declaration [based upon one (1) vote for each Mortgage owned] have given their written approval; and (c) consistent with Section 13.14 of the Homeowners Declaration, prior approval of the HUD or VA in accordance with the procedures set forth in said Section 13.14, shall be required for any amendment of this Supplemental Declaration during the Period of Declarant Control and provided that HUD or the VA is insuring or guarantying or has agreed to insure or guaranty loans in any portion of the Annexed Property with respect to initial sales of Privately Owned Sites by Declarant, or its successors or assigns, in the Annexed Property.

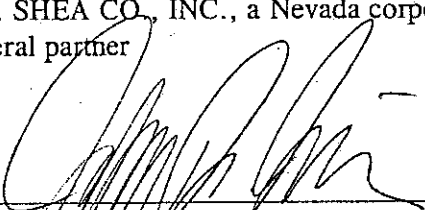
Section 5.8 Notice, Enforcement and Other Provisions. The provisions of Sections 13.16 through 13.30 of the Homeowners Declaration are hereby incorporated in this Supplemental Declaration as if repeated herein in full except that, for purposes of this Supplemental Declaration the term "Homeowners Declaration" or "Declaration" when used in said Sections shall, in each case, be deemed to refer to this Supplemental Declaration.

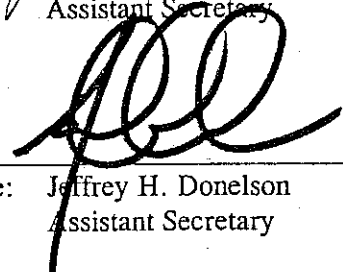
Section 5.9 Successors and Assigns of Declarant. A party shall be deemed a "successor" or an "assign" of Shea Homes Limited Partnership d/b/a Shea Homes ("Shea") under this Supplemental Declaration only if specifically designated in a duly recorded instrument as a successor or assign of Shea under this Supplemental Declaration or if specifically designated in a duly recorded instrument as a successor or assign of Shea as Declarant generally under the Homeowners Declaration (as opposed to designation as a successor or assign of Shea under certain provisions of the Homeowners Declaration or with respect to only certain property made subject to the Homeowners Declaration). However, a successor to Shea by consolidation or merger, and any Person acquiring all or substantially all of the right, title and interest of Shea in Reunion by foreclosure, judicial sale, bankruptcy proceedings or by other similar involuntary transfer, shall automatically be deemed a successor and assign of Shea under this Supplemental Declaration.

IN WITNESS WHEREOF, Declarant has executed this Supplemental Declaration the day and year first above written.

SHEA HOMES LIMITED PARTNERSHIP, a California
limited partnership d/b/a Shea Homes

By: J. F. SHEA CO., INC., a Nevada corporation, its
general partner

By: 
Name: Jeffrey B. Willis
Title: Assistant Secretary

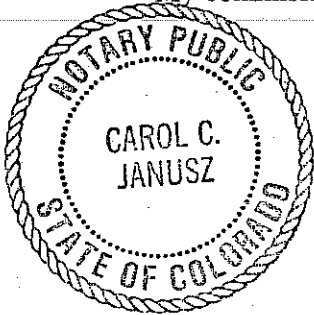
By: 
Name: Jeffrey H. Donelson
Title: Assistant Secretary

STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this 23rd day of August, 2002, by Jeffrey D. Willis as Assistant Secretary and Jeffrey H. Donelson as Assistant Secretary of J. F. Shea Co., Inc., a Nevada corporation, as general partner of Shea Homes Limited Partnership, a California limited partnership d/b/a Shea Homes.

Witness my hand and official seal.

My commission expires: _____ My Commission Expires 07-12-04





Notary Public

EXHIBIT A
TO
SUPPLEMENTAL DECLARATION
FOR
ANNEXED PROPERTY NO. 1
OF
REUNION HOMEOWNERS ASSOCIATION, INC.

(Richmond American Homes of Colorado, Inc. - Filing Nos. 1 and 2)

Legal Description of Annexed Property

Lots 1 through 23, inclusive, and 71 through 104, inclusive, Reunion Filing No. 1, City of Commerce City, County of Adams, State of Colorado, according to the recorded plat thereof.

Lots 1 through 36, inclusive, Reunion Filing No. 2, City of Commerce City, County of Adams, State of Colorado, according to the recorded plat thereof.
